

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF BRIGHAM CITY CORPORATION  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2005  
BRIGHAM CITY, UTAH**

**PREPARED BY  
DENNIS E. SHEFFIELD, CPA, CGFM  
DIRECTOR OF FINANCE**

## **INTRODUCTORY SECTION**

BRIGHAM CITY CORPORATION  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2005

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OCTOBER 6, 2005

MEMBERS OF THE BRIGHAM CITY COUNCIL:

IN ACCORDANCE WITH STATE STATUTES, I HEREBY TRANSMIT THE ANNUAL FINANCIAL REPORT OF BRIGHAM CITY AS OF JUNE 30, 2005, AND FOR THE FISCAL YEAR THEN ENDED. RESPONSIBILITY FOR BOTH THE ACCURACY OF THE PRESENTED DATA AND THE COMPLETENESS AND FAIRNESS OF THE PRESENTATION, INCLUDING ALL DISCLOSURES, RESTS WITH THE CITY. MANAGEMENT BELIEVES THAT THE DATA, AS PRESENTED, IS ACCURATE IN ALL MATERIAL ASPECTS; THAT IT IS PRESENTED IN A MANNER DESIGNED TO FAIRLY SET FORTH THE FINANCIAL POSITION AND RESULTS OF OPERATION OF THE CITY AS MEASURED BY THE FINANCIAL ACTIVITY OF ITS VARIOUS FUNDS; AND THAT ALL DISCLOSURES NECESSARY TO ENABLE THE READER TO GAIN THE MAXIMUM UNDERSTANDING OF THE CITY'S FINANCIAL AFFAIRS HAVE BEEN INCLUDED.

IN DEVELOPING AND EVALUATING THE CITY'S ACCOUNTING SYSTEM, CONSIDERATION IS GIVEN TO THE ADEQUACY OF INTERNAL ACCOUNTING CONTROLS. INTERNAL ACCOUNTING CONTROLS ARE DISCUSSED BY THE DIRECTOR OF FINANCE IN HIS ACCOMPANYING LETTER OF TRANSMITTAL, AND WITHIN THAT FRAMEWORK, I BELIEVE THAT THE CITY'S INTERNAL ACCOUNTING CONTROLS ADEQUATELY SAFEGUARD ASSETS AND PROVIDE REASONABLE ASSURANCE OF PROPER RECORDING OF FINANCIAL TRANSACTIONS.

THIS REPORT HAS BEEN PREPARED FOLLOWING THE GUIDELINES RECOMMENDED BY THE GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA.

IN ACCORDANCE WITH THE ABOVE-MENTIONED GUIDELINES THE ACCOMPANYING REPORT, AS REFERENCED IN THE TABLE OF CONTENTS, CONSISTS OF THREE PARTS:

1. INTRODUCTORY SECTION INCLUDES A TABLE OF CONTENTS, THE FINANCE DIRECTOR'S LETTER OF TRANSMITTAL, THE CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING FROM THE GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA, LIST OF PRINCIPAL OFFICIALS AND ORGANIZATIONAL CHART.
2. FINANCIAL SECTION, CONSISTING OF INDEPENDENT AUDITORS' REPORT, MANAGEMENT'S DISCUSSION AND ANALYSIS, BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION.
3. STATISTICAL SECTION, INCLUDING A NUMBER OF TABLES OF UNAUDITED DATA DEPICTING THE FINANCIAL HISTORY OF THE GOVERNMENT FOR THE PAST TEN YEARS, INFORMATION ON OVERLAPPING GOVERNMENTS, AND DEMOGRAPHIC AND OTHER MISCELLANEOUS INFORMATION.

STATE LAW REQUIRES THAT THE FINANCIAL STATEMENTS OF BRIGHAM CITY BE AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT SELECTED BY THE CITY COUNCIL. THIS REQUIREMENT HAS BEEN COMPLIED WITH, AND OUR AUDITORS' OPINION IS INCLUDED IN THE FINANCIAL SECTION OF THIS REPORT.

THE PREPARATION OF THE FINANCIAL REPORT COULD NOT HAVE BEEN ACCOMPLISHED WITHOUT THE DEDICATED EFFORT OF THE FINANCE DIRECTOR AND HIS ENTIRE STAFF. THEIR EFFORTS OVER THE PAST YEAR IN CONTINUING TO UPGRADE THE ACCOUNTING AND FINANCIAL SYSTEMS OF BRIGHAM CITY HAVE LED SUBSTANTIALLY TO THE IMPROVED QUALITY OF THE INFORMATION BEING REPORTED TO THE CITY COUNCIL, STATE OVERSIGHT BOARDS, AND THE CITIZENS OF BRIGHAM CITY.

RESPECTFULLY SUBMITTED,

LOU ANN CHRISTENSEN  
MAYOR

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OCTOBER 6, 2005

TO THE HONORABLE MAYOR, MEMBERS OF THE CITY COUNCIL, CITY MANAGER, AND CITIZENS OF BRIGHAM CITY,

IT IS WITH GREAT PLEASURE THAT THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR BRIGHAM CITY FOR THE YEAR ENDED JUNE 30, 2005, IS PRESENTED.

IN ADDITION TO THE FUND FINANCIAL INFORMATION CURRENTLY PRESENTED IN THE GOVERNMENT'S FINANCIAL STATEMENTS, THIS REPORT INCLUDES GOVERNMENT-WIDE FINANCIAL STATEMENTS. THE GOVERNMENT-WIDE FINANCIAL STATEMENTS INCLUDE A STATEMENT OF NET ASSETS THAT PROVIDE THE TOTAL NET ASSETS OF THE GOVERNMENT INCLUDING ALL CAPITAL ASSETS (INCLUDING INFRASTRUCTURE) AND THE STATEMENT OF ACTIVITIES THAT SHOWS THE COST OF PROVIDING GOVERNMENT SERVICES.

THIS REPORT CONSISTS OF MANAGEMENT'S REPRESENTATIONS CONCERNING THE FINANCES OF THE GOVERNMENT. CONSEQUENTLY, MANAGEMENT ASSUMES FULL RESPONSIBILITY FOR THE COMPLETENESS AND RELIABILITY OF ALL OF THE INFORMATION PRESENTED IN THIS REPORT. TO PROVIDE A REASONABLE BASIS FOR MAKING THESE REPRESENTATIONS, MANAGEMENT HAS ESTABLISHED AN INTERNAL CONTROL FRAMEWORK THAT IS DESIGNED TO BOTH PROTECT THE ASSETS OF THE GOVERNMENT FROM LOSS, THEFT, OR MISUSE AND TO ALLOW FOR THE COMPILING OF SUFFICIENT RELIABLE INFORMATION FOR THE PREPARATION OF THE GOVERNMENT'S FINANCIAL STATEMENTS IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). BECAUSE THE COST OF INTERNAL CONTROLS SHOULD NOT OUTWEIGH THEIR BENEFITS, THE GOVERNMENT'S INTERNAL CONTROL PROCEDURES HAVE BEEN DESIGNED TO PROVIDE REASONABLE RATHER THAN ABSOLUTE ASSURANCE THAT THE FINANCIAL STATEMENTS WILL BE FREE FROM MATERIAL MISSTATEMENT. TO THE BEST OF MANAGEMENT'S KNOWLEDGE AND BELIEF, THIS FINANCIAL REPORT IS COMPLETE AND RELIABLE IN ALL MATERIAL RESPECTS.

THE GOVERNMENT'S FINANCIAL STATEMENTS HAVE BEEN AUDITED BY WIGGINS & CO., P.C., A FIRM OF LICENSED CERTIFIED PUBLIC ACCOUNTANTS. THE GOAL OF THE INDEPENDENT AUDIT WAS TO PROVIDE REASONABLE ASSURANCE THAT THE FINANCIAL STATEMENTS OF THE GOVERNMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2005, ARE FREE OF MATERIAL MISSTATEMENT. THE INDEPENDENT AUDIT INVOLVED EXAMINING, ON A TEST BASIS, EVIDENCE SUPPORTING THE AMOUNTS AND DISCLOSURES IN THE FINANCIAL STATEMENTS; ASSESSING THE ACCOUNTING PRINCIPLES USED AND SIGNIFICANT ESTIMATES MADE BY MANAGEMENT; AND EVALUATING THE OVERALL FINANCIAL STATEMENT PRESENTATION. THE INDEPENDENT AUDITOR CONCLUDED, BASED UPON THE AUDIT, THAT THERE WAS A REASONABLE BASIS FOR RENDERING AN UNQUALIFIED OPINION THAT BRIGHAM CITY'S FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2005, ARE FAIRLY PRESENTED IN CONFORMITY WITH GAAP. THE INDEPENDENT AUDITORS' REPORT IS PRESENTED AS THE FIRST COMPONENT OF THE FINANCIAL SECTION OF THIS REPORT.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES REQUIRE THAT MANAGEMENT PROVIDE A NARRATIVE INTRODUCTION, OVERVIEW, AND ANALYSIS TO ACCOMPANY THE BASIC FINANCIAL STATEMENTS IN THE FORM OF MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A). THIS LETTER OF TRANSMITTAL IS DESIGNED TO COMPLEMENT THE MD&A AND SHOULD BE READ IN CONJUNCTION WITH IT. THE GOVERNMENT'S MD&A CAN BE FOUND IMMEDIATELY FOLLOWING THE REPORT OF THE INDEPENDENT AUDITORS.

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT IS PRESENTED IN THREE SECTIONS:

1. THE INTRODUCTORY SECTION, WHICH IS UNAUDITED, INCLUDES THIS LETTER OF TRANSMITTAL, THE CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING FROM THE GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA, LIST OF PROMINENT OFFICERS, AND THE GOVERNMENT'S ORGANIZATION CHART.
2. THE FINANCIAL SECTION, WHICH INCLUDES THE MD&A, THE BASIC FINANCIAL STATEMENTS, AND THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS.
3. THE STATISTICAL SECTION, WHICH IS UNAUDITED, INCLUDES SELECTED FINANCIAL AND DEMOGRAPHIC INFORMATION, GENERALLY PRESENTED ON A MULTI-YEAR BASIS.

THE FINANCIAL REPORTING ENTITY INCLUDES ALL FUNDS OF THE PRIMARY GOVERNMENT (I.E., BRIGHAM CITY AS LEGALLY DEFINED), AS WELL AS ALL OF ITS COMPONENT UNITS. COMPONENT UNITS ARE LEGALLY SEPARATE ENTITIES FOR WHICH THE PRIMARY GOVERNMENT IS FINANCIALLY ACCOUNTABLE. THE REDEVELOPMENT AGENCY OF BRIGHAM CITY COMPONENT UNIT IS REPORTED IN THE STATEMENTS AS A SPECIAL REVENUE FUND.

## GOVERNMENT STRUCTURE

STATE STATUTES DETAIL THE FUNCTIONS TO BE PERFORMED BY STATE MUNICIPALITIES. TITLE 10 OF THE UTAH CODE GENERALLY SETS OUT LAWS TO PROVIDE FOR THE INCORPORATION, ORGANIZATION AND CLASSIFICATION OF CITIES AND TOWNS IN PROPORTION TO POPULATION. CITIES OF THE FOURTH CLASS, SUCH AS THE CITY, ARE THOSE WITH FEWER THAN 30,000 AND MORE THAN 10,000 INHABITANTS. STATE LAW ALLOWS CITIES OF THE FOURTH CLASS TO CHOOSE GOVERNMENT EITHER BY MAYOR AND CITY COUNCIL OR BY MAYOR, CITY COUNCIL, AND CITY MANAGER. THE GOVERNMENT IS ORGANIZED UNDER GENERAL LAW AND GOVERNED BY A MAYOR AND FIVE CITY COUNCILMEMBERS ELECTED AT LARGE FOR STAGGERED FOUR-YEAR TERMS. THE MAYOR PRESIDES OVER ALL MEETINGS BUT CASTS NO VOTE IN THE CITY COUNCIL EXCEPT IN THE CASE OF A TIE. DIRECTORS ARE FULL-TIME EMPLOYEES OF THE GOVERNMENT AND ARE RESPONSIBLE FOR DAY-TO-DAY OPERATIONS WITHIN THE POLICY FRAMEWORK OF THE GOVERNING BODY. THEY REPORT TO THE MAYOR.

THE PRINCIPAL POWERS AND DUTIES OF MUNICIPALITIES ARE TO MAINTAIN LAW AND ORDER, ABATE NUISANCES, GUARD PUBLIC HEALTH AND SANITATION, PROMOTE RECREATION, PROVIDE FIRE PROTECTION, AND CONSTRUCT AND MAINTAIN STREETS, SIDEWALKS, WATERWORKS AND SEWERS. MUNICIPALITIES ALSO REGULATE COMMERCIAL AND RESIDENTIAL DEVELOPMENT WITHIN THEIR BOUNDARIES BY MEANS OF ZONING ORDINANCES, BUILDING CODES AND LICENSING PROCEDURES.

## ECONOMIC CONDITION AND OUTLOOK

THE GOVERNMENT IS LOCATED IN THE NORTHERN PART OF THE STATE ALONG THE WASATCH FRONT, WHICH IS ONE OF THE TOP GROWTH AREAS IN THE STATE. THE ECONOMIC CONDITION AND OUTLOOK OF THE GOVERNMENT CONTINUES TO LOOK GOOD EVEN THOUGH ATK AEROSPACE IS IN THE DEFENSE BUSINESS AND THE OUTLOOK FOR THIS BUSINESS SECTOR IS NOT GOOD. ATK AEROSPACE IS STILL THE MAIN SUPPLIER OF THE BOOSTER ROCKETS FOR THE SPACE SHUTTLE AND NASA IS CONTINUING THEIR LAUNCH SCHEDULE. AUTOLIV'S AUTOMOTIVE DIVISION HAS THEIR AIR BAG DIVISION WITHIN THE GOVERNMENT BOUNDARIES. AUTOLIV HAS BECOME THE LARGEST EMPLOYER WITHIN THE GOVERNMENT BOUNDARIES. THIS HAS HAD A POSITIVE EFFECT ON EMPLOYMENT, THE GOVERNMENT'S TAX BASE, AND UTILITY REVENUE.

THE GENERAL ECONOMIC FORECASTS HAVE SHOWN AN UPTURN, HOWEVER, THE FUTURE ECONOMIC OUTLOOK IS UNCERTAIN. IF THE PRESENT HIGH LEVEL OF SERVICES IS TO BE MAINTAINED, THE GOVERNMENT, IN THE FUTURE, WILL NEED TO EXPLORE NEW METHODS OF OBTAINING FINANCIAL RESOURCES.

## MAJOR INITIATIVES

IN PREPARING THE 2004-05 BUDGET, THE GOVERNMENT IDENTIFIED SEVERAL MAJOR PROGRAMS NEEDED TO MEET CITIZENS' NEEDS FOR SERVICES, RECREATION AND TO SAFEGUARD THE ENVIRONMENT, IN CONFORMITY WITH APPLICABLE FEDERAL AND STATE STANDARDS. THESE PROGRAMS INCLUDED THE MAINTENANCE AND EXPANSION OF THE GOVERNMENT'S INFRASTRUCTURES, AND CONTINUED UPGRADING OF THE GOVERNMENT'S PARKS. THE GOVERNMENT'S FLEET LEASING PROGRAM ACQUIRES ALL MOTORIZED VEHICLES AND EQUIPMENT AND LEASES THE EQUIPMENT TO THE VARIOUS DEPARTMENTS OF THE GOVERNMENT.

MAINTENANCE AND EXPANSION OF THE COMMUNITY'S GENERAL INFRASTRUCTURE (SUCH AS ROADS, CURB AND GUTTER, AND SIDEWALKS) AND THE WATER AND SEWER DISTRIBUTION SYSTEMS STILL REMAIN A MAJOR CONCERN OF THE GOVERNMENT. THE GOVERNMENT HAS BUDGETED FOR THE LAST SEVERAL YEARS TO REPLACE, ON A SYSTEMATIC PROGRAM, THE OLDER WATER AND SEWER LINES AND DURING 2004-05 CONTINUED ON THIS PROGRAM. THE TRANSFER FROM THE ENTERPRISE FUND TO THE GENERAL FUND WAS 16.6% OF THE ENTERPRISE FUNDS' REVENUE, WHILE LAST YEAR THE PERCENTAGE WAS APPROXIMATELY 15%.

THE EXPANSION OF THE GOVERNMENT-OWNED AIRPORT CONTINUES. THE GOVERNMENT, DURING THE YEAR ENDED JUNE 30, 2005, CONTINUED WORK ON EXPANDING THE APRONS AND TAXI WAYS. THE FEDERAL GOVERNMENT, THROUGH GRANTS, PAYS 95% OF THE COSTS.

## FUTURE PROJECTS

THE GOVERNMENT WILL CONTINUE TO MAINTAIN THE STREETS. WITH 100% OF THE STREETS AND HIGHWAYS OF THE GOVERNMENT WITH CURB AND GUTTER, THE GOVERNMENT WILL BE MORE EFFECTIVE IN THIS MAINTENANCE.

THE GOVERNMENT IS CONTINUING TO RECEIVE ADDITIONAL FEDERAL AND STATE GRANTS FOR IMPROVEMENT OF THE GOVERNMENT'S AIRPORT.

## FINANCIAL INFORMATION

**CASH MANAGEMENT.** THE UTAH MONEY MANAGEMENT ACT (MM ACT) GOVERNS THE INVESTMENT OF ALL PUBLIC FUNDS HELD BY PUBLIC TREASURERS IN THE STATE. IT ESTABLISHES CRITERIA FOR THE INVESTMENT OF PUBLIC FUNDS WITH AN EMPHASIS ON SAFETY, LIQUIDITY, YIELD, MATCHING STRATEGY TO FUND OBJECTIVES, AND MATCHING THE TERM OF INVESTMENTS TO THE AVAILABILITY OF FUNDS. THE MM ACT PROVIDES A LIMITED LIST OF APPROVED INVESTMENTS, INCLUDING QUALIFIED IN-STATE AND PERMITTED OUT-OF-STATE FINANCIAL INSTITUTIONS, APPROVED GOVERNMENT AGENCY SECURITIES, AND INVESTMENTS IN CORPORATE SECURITIES CARRYING "TOP CREDIT RATINGS."

THE LAW REQUIRES ALL SECURITIES TO BE DELIVERED VERSUS PAYMENT TO THE TREASURER'S SAFEKEEPING BANK. IT ALSO REQUIRES DIVERSIFICATION OF INVESTMENTS. THE GOVERNMENT IS CURRENTLY COMPLYING WITH ALL OF THE PROVISIONS OF THE MM ACT FOR ALL GOVERNMENT OPERATING FUNDS. A SIGNIFICANT PORTION OF THE GOVERNMENT'S FUNDS ARE INVESTED IN THE UTAH PUBLIC TREASURER'S INVESTMENT FUND (PTIF).



ALL DEPOSITS ARE HELD EITHER BY THE GOVERNMENT, ITS AGENCY OR A FINANCIAL INSTITUTION'S TRUST DEPARTMENT IN THE GOVERNMENT'S NAME. ALL OF THE GOVERNMENT'S INVESTMENTS HELD DURING THE YEAR, AND AT YEAR-END, ARE CLASSIFIED IN THE CATEGORY OF LOWEST CREDIT RISK AS DEFINED BY THE GOVERNMENT ACCOUNTING STANDARDS BOARD.

RISK MANAGEMENT. DURING FISCAL YEAR 2004-05 THE GOVERNMENT HAS CONTINUED TO STRENGTHEN ITS RISK MANAGEMENT PROGRAM. A RISK MANAGEMENT COMMITTEE MEETS MONTHLY UNDER THE DIRECTION OF THE RISK MANAGER TO PLAN AND EVALUATE RISK MANAGEMENT PROGRAMS. MANDATORY QUARTERLY RISK MANAGEMENT TRAINING MEETINGS HAVE BEEN ESTABLISHED FOR ALL CITY EMPLOYEES. RISK MANAGEMENT INSPECTIONS OF CITY FACILITIES ARE HELD PERIODICALLY. INFORMATION AND TRAINING ON RISK MANAGEMENT TECHNIQUES AND CONCERNS COME FROM THE UTAH RISK MANAGEMENT MUTUAL ASSOCIATION, THE POOL OF CITIES THAT PROVIDES THE CITY'S LIABILITY INSURANCE. RISK MANAGEMENT STANDARDS AND PROGRAMS ARE MANDATED BY THE ASSOCIATION FOR THE CITY.

#### OTHER INFORMATION

AWARDS. THE GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) AWARDED A CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING TO THE GOVERNMENT FOR ITS COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2004. THIS WAS THE NINETEENTH CONSECUTIVE YEAR THAT THE GOVERNMENT HAS RECEIVED THIS PRESTIGIOUS AWARD. IN ORDER TO BE AWARDED A CERTIFICATE OF ACHIEVEMENT, THE GOVERNMENT PUBLISHED AN EASILY READABLE AND EFFICIENTLY ORGANIZED COMPREHENSIVE ANNUAL FINANCIAL REPORT. THIS REPORT SATISFIED BOTH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND APPLICABLE LEGAL REQUIREMENTS.

A CERTIFICATE OF ACHIEVEMENT IS VALID FOR A PERIOD OF ONE YEAR ONLY. WE BELIEVE THAT OUR CURRENT COMPREHENSIVE ANNUAL FINANCIAL REPORT CONTINUES TO MEET THE CERTIFICATE OF ACHIEVEMENT PROGRAM'S REQUIREMENTS AND WE ARE SUBMITTING IT TO THE GFOA TO DETERMINE ITS ELIGIBILITY FOR ANOTHER CERTIFICATE.

ACKNOWLEDGMENTS. THE PREPARATION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT ON A TIMELY BASIS WAS MADE POSSIBLE BY THE DEDICATED SERVICE OF THE ENTIRE STAFF OF THE FINANCE DEPARTMENT. EACH MEMBER OF THE DEPARTMENT HAS MY SINCERE APPRECIATION FOR THE CONTRIBUTIONS MADE IN THE PREPARATION OF THIS REPORT. IN CLOSING, WITHOUT THE LEADERSHIP AND SUPPORT OF THE GOVERNING BODY OF THE GOVERNMENT, PREPARATION OF THIS REPORT WOULD NOT HAVE BEEN POSSIBLE.

SINCERELY,



DENNIS E. SHEFFIELD, CPA, CGFM  
DIRECTOR OF FINANCE

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Brigham City Corporation,  
Utah

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

A Certificate of Achievement for Excellence in Financial  
Reporting is presented by the Government Finance Officers  
Association of the United States and Canada to  
government units and public employee retirement  
systems whose comprehensive annual financial  
reports (CAFRs) achieve the highest  
standards in government accounting  
and financial reporting.



*Nancy L. Ziehl*

President

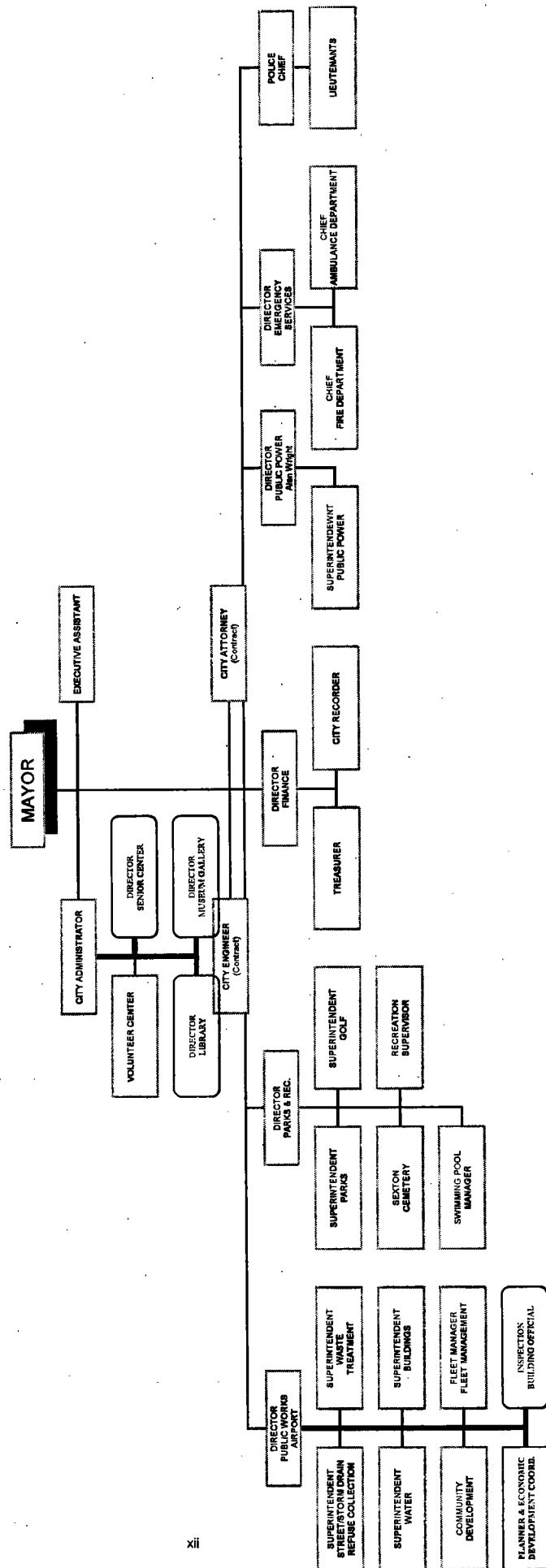
*Jeffrey R. Emer*

Executive Director

BRIGHAM CITY CORPORATION  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2005

<u>TITLE</u>	<u>NAME</u>
CITY ADMINISTRATOR .....	DON TINGEY
DIRECTOR OF FINANCE .....	DENNIS E. SHEFFIELD, C.P.A., C.G.F.M
CITY RECORDER .....	MARY KATE CHRISTENSEN, CMC
TREASURER .....	DIANE REICHARD
ATTORNEY .....	STEPHEN HADFIELD
CITY PLANNER .....	MARK TEUSCHER
PUBLIC WORKS DIRECTOR .....	E. BRUCE LEONARD
PUBLIC POWER DIRECTOR .....	ALAN WRIGHT
PARKS AND RECREATION DIRECTOR .....	BENJAMIN N. BOYCE
POLICE CHIEF .....	PAUL TITTENSOR
FIRE CHIEF .....	CURTIS PACKER
SENIOR CITIZEN DIRECTOR .....	NANCY J. GREEN
MUSEUM-GALLERY DIRECTOR .....	LARRY G. DOUGLASS
AMBULANCE CHIEF .....	KAREN BURNS
LIBRARIAN .....	SUE HILL
EMERGENCY SERVICES DIRECTOR .....	JIM BUCHANAN
ECONOMIC DEVELOPMENT DIRECTOR .....	PAUL H. LARSEN

# BRIGHAM CITY CORPORATION



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## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council Members  
Brigham City Corporation  
Brigham City, Utah 84302

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brigham City Corporation (the "City"), as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brigham City Corporation, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2005, on our consideration of Brigham City Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That

report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules, and statistical data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the same auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Wiggins & Co., PC*

Brigham City, Utah  
October 6, 2005



BRIGHAM CITY CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2005

OUR DISCUSSION AND ANALYSIS OF THE GOVERNMENT'S FINANCIAL PERFORMANCE PROVIDES AN OVERVIEW OF THE GOVERNMENT'S FINANCIAL ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2005.

PLEASE READ IN CONJUNCTION WITH THE GOVERNMENT'S BASIC FINANCIAL STATEMENTS, WHICH BEGIN ON PAGE 16.

**FINANCIAL HIGHLIGHTS**

• THE GOVERNMENT'S CHANGE IN NET ASSETS:

	JUNE 30,		CHANGE	
	2005	2004	AMOUNT	PERCENT
CHANGE IN NET ASSETS:				
GOVERNMENTAL ACTIVITIES	\$1,766,000	\$ 279,000	\$ 1,487,000	533.0
BUSINESS TYPE ACTIVITIES	(244,000)	1,613,000	(1,857,000)	(115.2)
TOTAL NET ASSETS	<u>\$1,522,000</u>	<u>\$1,892,000</u>	<u>\$ (370,000)</u>	(19.7)

• THE GOVERNMENT'S RETURN ON TOTAL ENDING ASSETS:

	JUNE 30,	
	2005	2004
GOVERNMENTAL	6.8%	1.2%
BUSINESS TYPE	—	7.3%
TOTAL	3.2%	4.1%

- TOTAL COST OF ALL OF THE GOVERNMENT'S PROGRAMS WAS \$23,865,000 IN 2005 AND \$22,106,000 IN 2004.
- DURING THE YEAR, THE GOVERNMENT HAD EXPENSES FOR GOVERNMENTAL ACTIVITIES THAT WERE \$6,627,000 MORE THAN THE \$6,530,000 GENERATED IN PROGRAM REVENUES FOR THE YEAR ENDED JUNE 30, 2005, AND WERE \$7,337,000 MORE THAN THE \$4,638,000 GENERATED IN PROGRAM REVENUES FOR THE YEAR ENDED JUNE 30, 2004. GENERAL REVENUES INCREASED FROM \$7,616,000 FOR THE YEAR ENDED JUNE 30, 2004, TO \$8,393,000 FOR THE YEAR ENDED JUNE 30, 2005.

**USING THIS ANNUAL REPORT**

THIS ANNUAL REPORT CONSISTS OF A SERIES OF FINANCIAL STATEMENTS. THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES (ON PAGES 16-18) PROVIDE INFORMATION ABOUT THE ACTIVITIES OF THE GOVERNMENT AS A WHOLE AND PRESENT A LONGER-TERM VIEW OF THE GOVERNMENT'S FINANCES. FUND FINANCIAL STATEMENTS START ON PAGE 19. FOR GOVERNMENTAL ACTIVITIES, THESE STATEMENTS TELL HOW THESE SERVICES WERE FINANCED IN THE SHORT TERM AS WELL AS WHAT REMAINS FOR FUTURE SPENDING. FUND FINANCIAL STATEMENTS ALSO REPORT THE GOVERNMENT'S OPERATIONS IN MORE DETAIL THAN THE GOVERNMENT-WIDE STATEMENTS BY PROVIDING INFORMATION ABOUT THE GOVERNMENT'S MOST FINANCIALLY SIGNIFICANT FUNDS.

**REPORTING THE GOVERNMENT AS A WHOLE:**

THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

OUR ANALYSIS OF THE GOVERNMENT AS A WHOLE BEGINS ON PAGE 5. ONE OF THE MOST IMPORTANT QUESTIONS ASKED ABOUT THE GOVERNMENT'S FINANCES IS 'IS THE GOVERNMENT AS A WHOLE BETTER OFF OR WORSE OFF AS A RESULT OF THE YEAR'S ACTIVITIES?' THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES REPORT INFORMATION ABOUT THE GOVERNMENT AS A WHOLE AND ABOUT ITS ACTIVITIES IN A WAY THAT HELPS ANSWER THIS QUESTION. THESE STATEMENTS INCLUDE ALL ASSETS AND LIABILITIES USING THE *ACCRUAL BASIS OF ACCOUNTING*, WHICH IS SIMILAR TO THE ACCOUNTING USED BY MOST PRIVATE-SECTOR COMPANIES. ACCRUAL OF THE CURRENT YEAR'S REVENUES AND EXPENSES ARE TAKEN INTO ACCOUNT REGARDLESS OF WHEN CASH IS RECEIVED OR PAID.

THESE TWO STATEMENTS REPORT THE GOVERNMENT'S *NET ASSETS* AND CHANGES IN THEM. YOU CAN THINK OF THE GOVERNMENT'S NET ASSETS AS THE DIFFERENCE BETWEEN ASSETS, WHAT THE CITIZENS OWN, AND LIABILITIES, WHAT THE CITIZENS OWE, AS ONE WAY TO MEASURE THE GOVERNMENT'S FINANCIAL HEALTH, OR *FINANCIAL POSITION*. OVER TIME, *INCREASES OR DECREASES* IN THE GOVERNMENT'S NET ASSETS ARE ONE INDICATOR OF WHETHER ITS *FINANCIAL HEALTH* IS IMPROVING OR DETERIORATING. YOU WILL NEED TO CONSIDER OTHER NONFINANCIAL FACTORS, HOWEVER, SUCH AS CHANGES

IN THE GOVERNMENT'S PROPERTY TAX BASE AND THE CONDITION OF THE GOVERNMENT'S CAPITAL ASSETS (ROADS, BUILDINGS, WATER AND SEWER LINES) TO ASSESS THE OVERALL HEALTH OF THE GOVERNMENT.

IN THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES, WE DIVIDE THE GOVERNMENT INTO TWO KINDS OF ACTIVITIES:

- **GOVERNMENTAL ACTIVITIES:** MOST OF THE GOVERNMENT'S BASIC SERVICES ARE REPORTED HERE, INCLUDING THE POLICE, FIRE, STREET MAINTENANCE, PARKS AND RECREATIONS, AND GENERAL ADMINISTRATION. SALES TAXES, PROPERTY TAXES, AND STATE AND FEDERAL GRANTS AND OPERATING TRANSFERS FINANCE MOST OF THESE ACTIVITIES.
- **BUSINESS-TYPE ACTIVITIES:** THE GOVERNMENT CHARGES A FEE TO CUSTOMERS TO HELP IT COVER ALL OR MOST OF THE COST OF CERTAIN SERVICES IT PROVIDES. THE GOVERNMENT'S WATER, SEWER, ELECTRIC, REFUSE AND STORM DRAIN SYSTEMS ARE REPORTED HERE.

#### FUND FINANCIAL STATEMENTS

OUR ANALYSIS OF THE GOVERNMENT'S MAJOR FUNDS BEGINS ON PAGE 12. THE FUND FINANCIAL STATEMENTS BEGIN ON PAGE 23 AND PROVIDE DETAILED INFORMATION ABOUT THE MOST SIGNIFICANT FUNDS - NOT THE GOVERNMENT AS A WHOLE. SOME FUNDS ARE REQUIRED TO BE ESTABLISHED BY STATE LAW. HOWEVER, THE CITY COUNCIL ESTABLISHES MANY OTHER FUNDS TO HELP IT CONTROL AND MANAGE MONEY FOR PARTICULAR PURPOSES (I.E., REDEVELOPMENT AGENCY FUNDS). THE GOVERNMENT'S TWO KINDS OF FUNDS, GOVERNMENTAL AND PROPRIETARY, USE DIFFERENT ACCOUNTING APPROACHES.

**GOVERNMENTAL FUNDS:** MOST OF THE GOVERNMENT'S BASIC SERVICES ARE REPORTED IN GOVERNMENTAL FUNDS, WHICH FOCUS ON HOW MONEY FLOWS INTO AND OUT OF THOSE FUNDS AND THE BALANCES LEFT AT YEAR-END THAT ARE AVAILABLE FOR SPENDING. THESE FUNDS ARE REPORTED USING AN ACCOUNTING METHOD CALLED *MODIFIED ACCRUAL* ACCOUNTING, WHICH MEASURES CASH AND ALL OTHER FINANCIAL ASSETS THAT CAN READILY BE CONVERTED TO CASH. THE GOVERNMENTAL FUND STATEMENTS PROVIDE A DETAILED *SHORT-TERM VIEW* OF THE GOVERNMENT'S GENERAL GOVERNMENT OPERATIONS AND THE BASIC SERVICES IT PROVIDES. GOVERNMENTAL FUND INFORMATION HELPS ONE DETERMINE WHETHER THERE ARE MORE OR FEWER FINANCIAL RESOURCES THAT CAN BE SPENT IN THE NEAR FUTURE TO FINANCE THE GOVERNMENT'S PROGRAMS. WE DESCRIBED THE RELATIONSHIP (OR DIFFERENCES) BETWEEN GOVERNMENTAL ACTIVITIES (REPORTED IN THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES) AND GOVERNMENTAL FUNDS IN A RECONCILIATION FOLLOWING THE FUND FINANCIAL STATEMENTS.

**PROPRIETARY FUNDS:** WHEN THE GOVERNMENT CHARGES CUSTOMERS FOR THE FULL COST OF THE SERVICES IT PROVIDES, WHETHER TO OUTSIDE CUSTOMERS OR TO OTHER UNITS OF THE GOVERNMENT, THESE SERVICES ARE REPORTED IN PROPRIETARY FUNDS. PROPRIETARY FUNDS ARE REPORTED IN THE SAME WAY THAT ALL ACTIVITIES ARE REPORTED IN THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES. IN FACT, THE GOVERNMENT'S ENTERPRISE FUNDS (A COMPONENT OF BUSINESS TYPE FUNDS) ARE THE SAME AS THE BUSINESS-TYPE ACTIVITIES WE REPORT IN THE GOVERNMENT-WIDE STATEMENTS BUT PROVIDE MORE DETAIL AND ADDITIONAL INFORMATION, SUCH AS CASH FLOWS, FOR PROPRIETARY FUNDS. WE USE AN INTERNAL SERVICE FUND TO REPORT ACTIVITIES THAT PROVIDE SUPPLIES AND SERVICES TO THE GOVERNMENT'S OTHER PROGRAMS AND ACTIVITIES.

#### THE GOVERNMENT AS A WHOLE

THE GOVERNMENT'S COMBINED NET ASSETS CHANGED FROM A YEAR AGO, INCREASING FROM \$46 MILLION TO \$48 MILLION. LOOKING AT THE NET ASSETS AND NET EXPENSES OF GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES SEPARATELY, DIFFERENT STORIES EMERGE. OUR ANALYSIS BELOW FOCUSES ON THE NET ASSETS (TABLE 1) AND CHANGES IN NET ASSETS (TABLE 2) OF THE GOVERNMENT'S GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES.

TABLE 1  
NET ASSETS (IN THOUSANDS)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2005	2004	2005	2004	2005	2004
CURRENT AND OTHER ASSETS	\$ 8,252	\$ 7,567	\$ 3,419	\$ 3,818	\$11,671	\$11,385
CAPITAL ASSETS	28,886	27,833	21,584	22,761	50,470	50,594
TOTAL ASSETS	37,138	35,400	25,003	26,579	62,141	61,979
OTHER LIABILITIES	(4,514)	(3,604)	(1,636)	(2,904)	(6,150)	(6,508)
LONG-TERM LIABILITIES OUTSTANDING	(6,600)	(7,538)	(1,515)	(1,578)	(8,115)	(9,116)
TOTAL LIABILITIES	(11,114)	(11,142)	(3,151)	(4,482)	(14,265)	(15,624)
NET ASSETS:						
INVESTED IN CAPITAL ASSETS, NET OF DEBT	20,030	17,781	5,392	5,392	25,422	23,173
RESTRICTED	2,520	2,396	395	134	2,915	2,530
UNRESTRICTED (DEFICIT)	3,474	4,081	16,065	16,571	19,539	20,652
TOTAL NET ASSETS	\$26,024	\$24,258	\$21,852	\$22,097	\$47,876	\$46,355

NET ASSETS OF THE GOVERNMENT'S GOVERNMENTAL ACTIVITIES INCREASED BY 7.2 PERCENT AT JUNE 30, 2005 AND INCREASED BY 1.7 PERCENT AT JUNE 30, 2004. UNRESTRICTED NET ASSETS, THE PART OF NET ASSETS THAT CAN BE USED TO FINANCE DAY-TO-DAY OPERATIONS WITHOUT CONSTRAINTS ESTABLISHED BY DEBT COVENANTS, ENABLING LEGISLATION, OR OTHER LEGAL REQUIREMENTS, WAS \$3,474,000 AT JUNE 30, 2005 AND \$4,081,000 AT JUNE 30, 2004. RESTRICTED NET ASSETS, THOSE RESTRICTED MAINLY FOR CAPITAL PROJECTS AND SPECIAL PURPOSES, SUCH AS STREET CLEANING OR MAINTENANCE, TOTALED \$2,520,000 AT JUNE 30, 2005 AND \$2,396,000 AT JUNE 30, 2004. THE TOTAL NET ASSET CATEGORY INCREASED FROM A REDUCTION IN PROGRAM COSTS (AFTER DEDUCTION FOR PROGRAM REVENUES) AND AN INCREASE OF INVESTMENT IN CAPITAL ASSETS, NET OF DEBT. THE CATEGORY, INVESTMENT IN CAPITAL ASSETS NET OF DEBT FOR GOVERNMENTAL ACTIVITIES, WAS \$20,030,000 AT JUNE 30, 2005 AND \$17,781,000 AT JUNE 30, 2004.

THE MAJOR REASONS FOR THE CHANGE IN GOVERNMENTAL NET ASSETS FROM JUNE 30, 2004 TO JUNE 30, 2005 WAS THE DEBT DECREASED BECAUSE OF BOND PAYMENTS, THE ACCUMULATED DEPRECIATION INCREASE WAS NOT COMPLETELY OFFSET BY CAPITAL ASSET ADDITIONS, AND INCREASES IN PROPERTY AND SALES TAXES. AS NOTED PREVIOUSLY, THE NET ASSETS INCREASED FROM \$279,000 TO \$1,766,000 FOR THE YEARS ENDED JUNE 30, 2004 AND JUNE 30, 2005, RESPECTIVELY.

THE NET ASSETS OF OUR BUSINESS-TYPE ACTIVITIES DECREASED BY \$244,000 IN 2005 AND INCREASED BY \$1,613,000 IN 2004. THE GOVERNMENT GENERALLY CAN USE THESE NET ASSETS TO FINANCE THE CONTINUING OPERATIONS OF THE WATER, SEWER, ELECTRIC AND REFUSE OPERATIONS. THE GOVERNMENT TAKES TRANSFERS FROM THESE OPERATIONS TO THE GOVERNMENTAL ACTIVITIES TO HELP FINANCE THE GOVERNMENTAL PROGRAMS. THE TRANSFERS WERE \$245,000 MORE THAN THE OPERATING PROFIT OF \$2,730,000.

FINANCIAL RATIOS  
(DOLLARS IN THOUSANDS)

THE FOLLOWING FINANCIAL RATIOS SHOULD BE USED TO ASSESS THE FINANCIAL STABILITY OF THE GOVERNMENT OVER AN EXTENDED PERIOD OF TIME.

THE RATIOS OF WORKING CAPITAL AND DAYS CASH DEMONSTRATE THE CONTINUING ABILITY TO FINANCE OPERATIONS WITH CASH. THE RELATIVE STABILITY OF THE CURRENT RATIO AND THE LIABILITIES TO NET ASSET DEMONSTRATE THE FACT THAT THE GOVERNMENT HAS NOT FINANCED ITS WORKING CAPITAL AND DAYS CASH WITH A SUBSTANTIALLY INCREASING PROPORTION OF DEBT.

"WORKING CAPITAL" IS THE AMOUNT BY WHICH CURRENT ASSETS EXCEED CURRENT LIABILITIES. THE "CURRENT RATIO," WHICH COMPARES CURRENT ASSETS TO CURRENT LIABILITIES, IS AN INDICATOR OF THE ABILITY TO PAY CURRENT OBLIGATIONS.

	<u>WORKING CAPITAL</u>		<u>CURRENT RATIO</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
ENTITY WIDE SUMMARY	\$5,521	\$4,877	1.90	1.75
GOVERNMENTAL	\$3,738	\$3,963	1.83	2.10
BUSINESS-TYPE	\$1,783	\$ 914	2.09	1.31

"DAYS CASH" REPRESENTS THE NUMBER OF DAYS NORMAL OPERATIONS COULD CONTINUE WITH NO REVENUE COLLECTION.

	<u>DAYS CASH</u>		<u>LIABILITIES TO NET ASSETS</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
ENTITY WIDE SUMMARY	93	117	30%	34%
GOVERNMENTAL	143	170	43%	46%
BUSINESS-TYPE	33	66	14%	20%

"RETURN ON ASSETS FROM OPERATIONS" ILLUSTRATES TO WHAT EXTENT THERE WILL BE SUFFICIENT FUNDS FROM OPERATIONS TO REPLACE ASSETS IN THE FUTURE.

	<u>RETURN ON ASSETS</u>	
	<u>2005</u>	<u>2004</u>
ENTITY WIDE SUMMARY	3.2%	3.1%
GOVERNMENTAL	6.8%	.8%
BUSINESS-TYPE	—	6.1%

TABLE 2  
CHANGES IN NET ASSETS  
(IN THOUSANDS)

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
REVENUES:				
PROGRAM REVENUES:				
CHARGES FOR SERVICES	\$ 3,146	\$3,408	\$13,439	14,490
OPERATING GRANTS & CONTRIBUTIONS	784	748		
CAPITAL GRANTS & CONTRIBUTIONS	2,599	481		
GENERAL REVENUES:				
PROPERTY TAXES	2,018	1,842		
SALES TAXES	2,322	2,119		
OTHER TAXES	792	658		
GRANTS AND CONTRIBUTIONS	12	18		
INVESTMENT INCOME	199	182		
OTHER REVENUES	75	52		
TOTAL REVENUES	<u>11,947</u>	<u>9,508</u>	<u>13,439</u>	<u>14,490</u>
EXPENSES:				
GENERAL GOVERNMENT	1,726	1,903		
PUBLIC SAFETY	4,680	3,562		
PUBLIC WORKS	2,433	2,030		
CULTURE, PARKS & RECREATION	3,612	3,540		
COMMUNITY AND ECONOMIC DEVELOPMENT	355	443		
INTEREST ON LONG-TERM DEBT	350	498		
WATER			1,357	1,235
WASTE TREATMENT			1,704	1,629
ELECTRIC			6,587	6,317
WASTE COLLECTION			685	680
STORM DRAINAGE			375	270
TOTAL EXPENSES	<u>13,156</u>	<u>11,976</u>	<u>10,708</u>	<u>10,131</u>
INCREASE(DECREASE) IN NET ASSETS BEFORE TRANSFERS	(1,209)	(2,468)	2,731	4,359
TRANSFERS	<u>2,975</u>	<u>2,746</u>	<u>(2,975)</u>	<u>(2,746)</u>
INCREASE IN NET ASSETS	1,766	278	(244)	1,613
NET ASSETS, BEGINNING	<u>24,258</u>	<u>23,980</u>	<u>22,097</u>	<u>20,484</u>
NET ASSETS, ENDING	<u>\$26,024</u>	<u>\$24,258</u>	<u>\$21,853</u>	<u>\$22,097</u>

THE FOLLOWING GRAPHS ILLUSTRATE IN A VISUAL FORM THE MAKE-UP OF THE GOVERNMENTAL ACTIVITIES REVENUES, EXPENDITURES AND TRANSFERS.

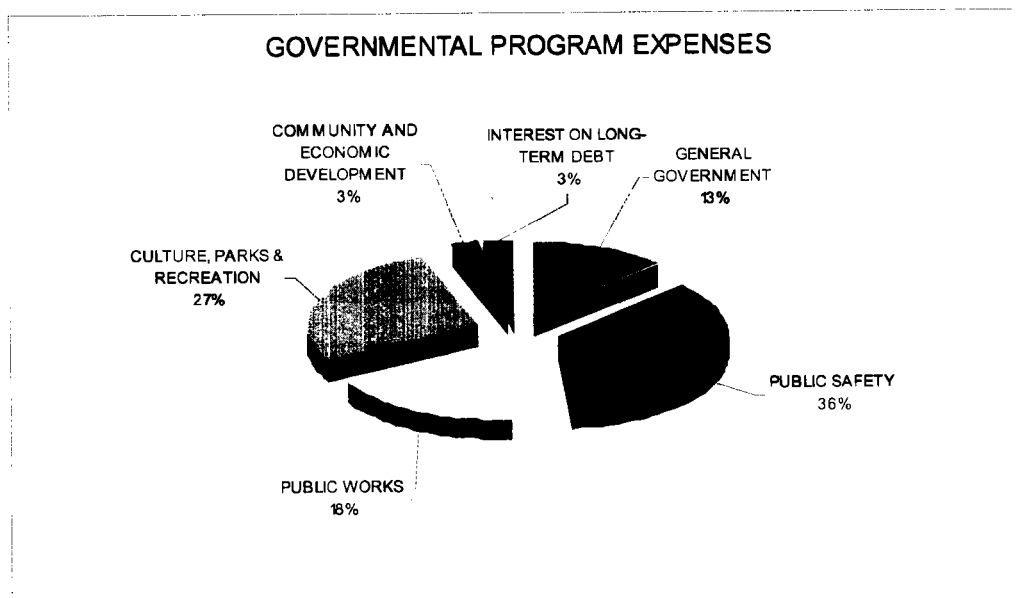
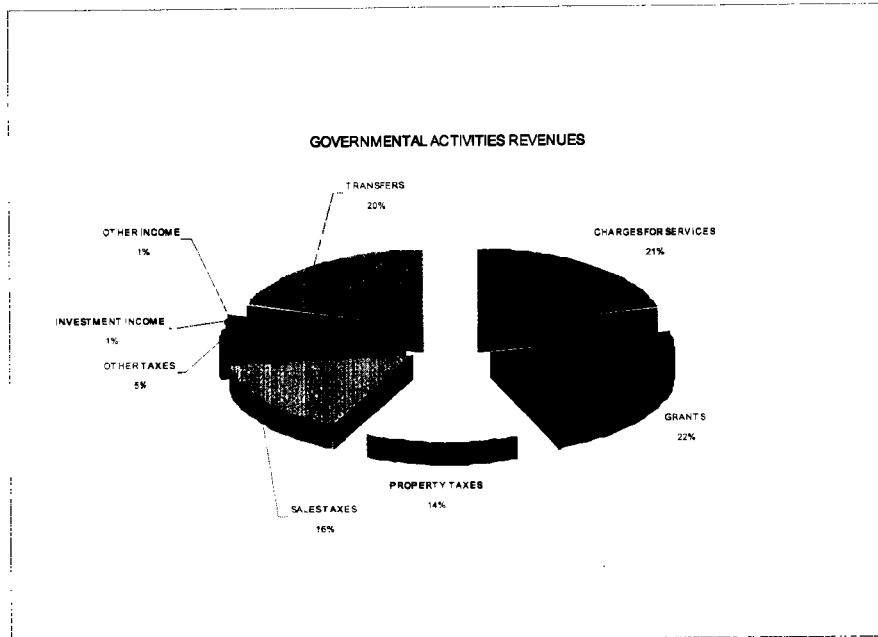


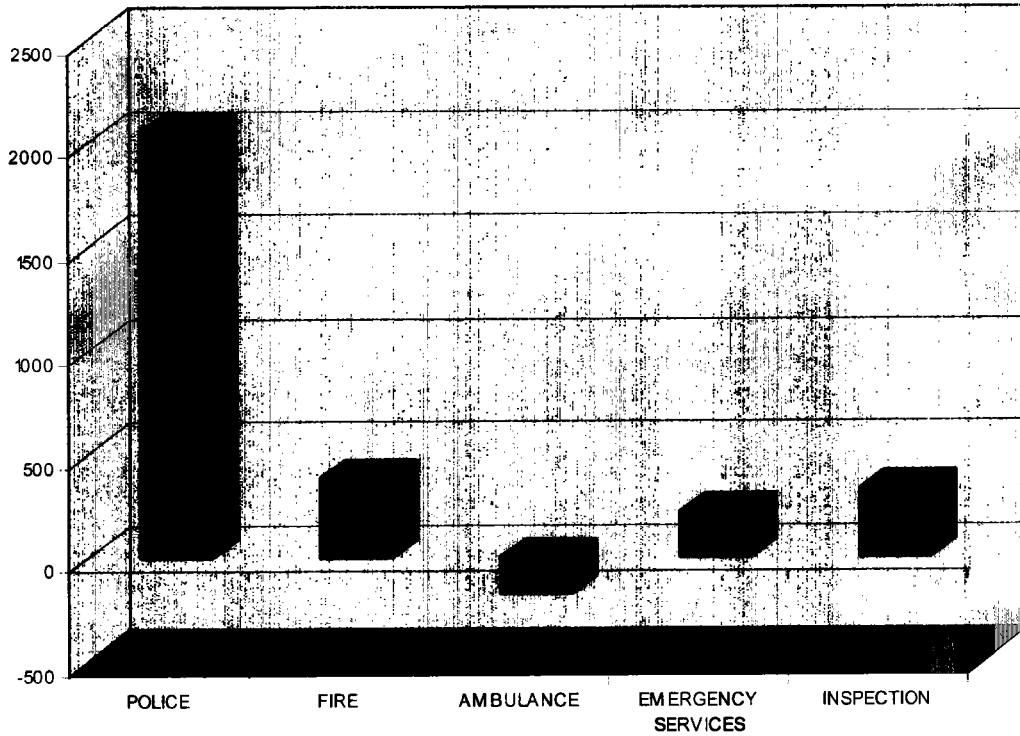
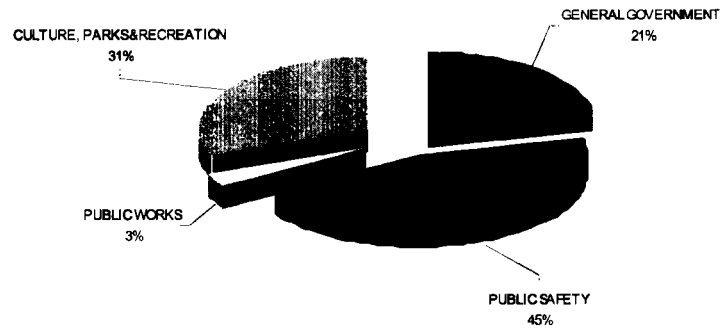
TABLE 3 PRESENTS THE PROGRAM'S NET COST (TOTAL COST LESS REVENUES GENERATED BY THE ACTIVITIES) OF EACH OF THE GOVERNMENT'S FOUR LARGEST GOVERNMENTAL PROGRAMS: GENERAL GOVERNMENT, PUBLIC SAFETY, PUBLIC WORKS, CULTURE, PARKS AND RECREATION. THE NET COST SHOWS THE FINANCIAL BURDEN THAT WAS PLACED ON THE GOVERNMENT'S TAXPAYERS BY EACH OF THESE FUNCTIONS. INCLUDED IN PUBLIC SAFETY IS THE POLICE, FIRE, AMBULANCE, EMERGENCY SERVICES AND COMMUNITY DEVELOPMENT (INSPECTION). THE MAJOR SOURCE OF REVENUE IN PUBLIC SAFETY IS FROM THE AMBULANCE SERVICE.

TABLE 3  
GOVERNMENTAL ACTIVITIES  
(IN THOUSANDS)

	<u>NET COST OF SERVICES</u>	
	<u>2005</u>	<u>2004</u>
GENERAL GOVERNMENT	\$1,343	\$1,539
PUBLIC SAFETY	2,813	2,444
PUBLIC WORKS	(188)	467
CULTURE, PARKS AND RECREATION	1,953	1,946
DETAIL OF PUBLIC SAFETY:		
POLICE	\$2,054	1,914
FIRE	385	359
AMBULANCE	(177)	(114)
EMERGENCY SERVICES	220	100
COMMUNITY DEVELOPMENT	331	185
	<u>\$2,813</u>	<u>\$2,444</u>

THE FOLLOWING GRAPHS SHOW THE PERCENTAGE OF THE NET COST OF SERVICES OF THE FOUR MAJOR COST CENTERS AND THE NET COST OF SERVICES FOR THE DEPARTMENTS WITHIN PUBLIC SAFETY.

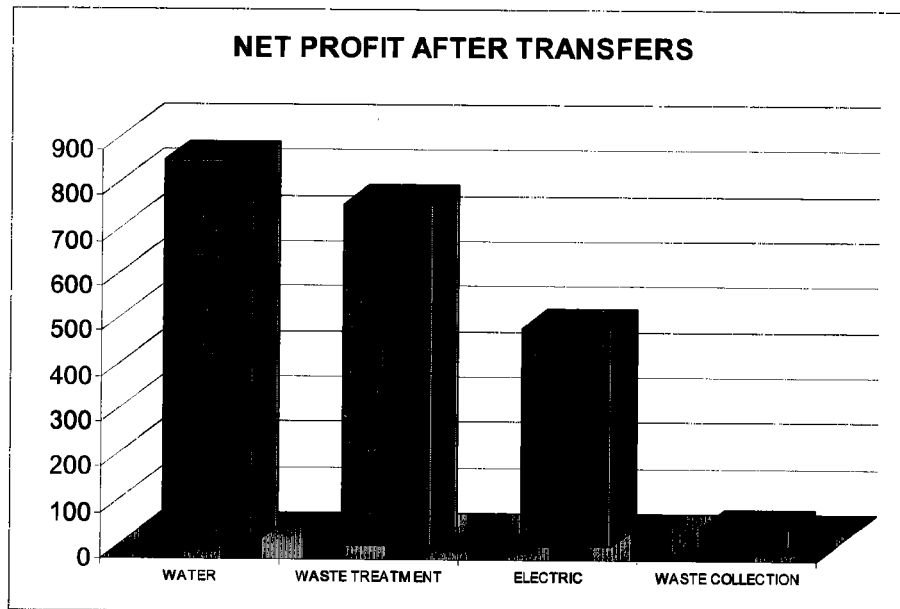
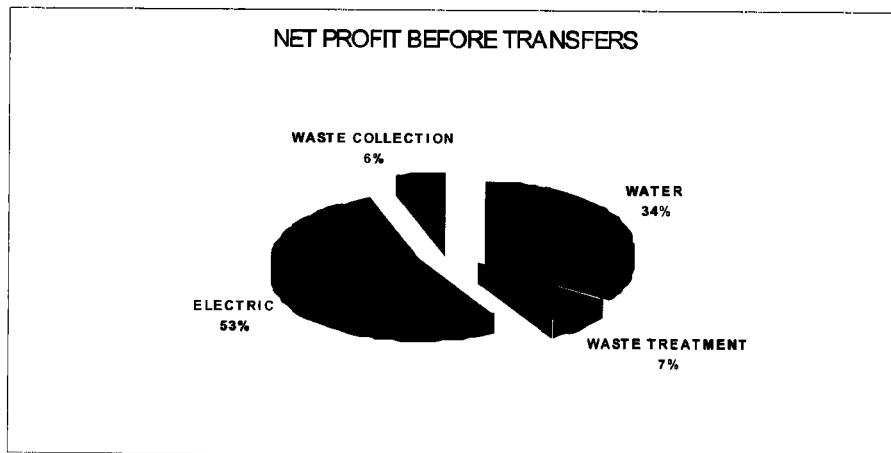
## NET COST OF SERVICES



# BUSINESS-TYPE FUNDS

THE GOVERNMENT'S MAJOR ENTERPRISE FUND IS THE PUBLIC UTILITY FUND. THE ELECTRICAL, WATER, WASTE TREATMENT AND WASTE COLLECTION OPERATIONS ARE COMBINED UNDER THE PUBLIC UTILITY FUND. ONLY ONE BALANCE SHEET IS MAINTAINED FOR THE PUBLIC UTILITY FUND. THE FOLLOWING IS A SUMMARY OF THE NET PROFIT/(LOSS) OF EACH OF THE OPERATIONS OF THE PUBLIC UTILITY FUND (IN THOUSANDS).

	NET PROFIT BEFORE TRANSFERS		TRANSFERS IN		TRANSFERS TO GENERAL FUND		TO OTHER FUNDS		NET PROFIT AFTER TRANSFERS	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
WATER	\$ 266	\$1,426	\$ —	\$ (179)	\$ (406)	\$ (251)	\$ —	\$ 147	\$ (140)	\$ 849
WASTE TREATMENT	257	312	1	440	(126)	—	(53)	—	79	752
ELECTRIC	1,885	2,205	(1)	(207)	(2,178)	(1,468)	(50)	(51)	(344)	(344)
WASTE COLLECTION	224	233	—	(54)	(115)	(140)	(28)	—	81	39
	<u>\$2,632</u>	<u>\$4,176</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$(2,825)</u>	<u>\$(1,859)</u>	<u>\$(131)</u>	<u>\$(198)</u>	<u>\$(324)</u>	<u>\$2,119</u>



THE TRANSFERS TO THE GENERAL FUND HELP TO COVER THE COSTS OF SERVICES PROVIDED BY THE GENERAL FUND. AS SHOWN, THE TRANSFERS TO THE GENERAL AND OTHER FUNDS DECREASE THE PROFIT OF THE PUBLIC UTILITY FUND.



## FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

THE FOCUS OF THE GOVERNMENT'S GOVERNMENTAL FUNDS IS TO PROVIDE INFORMATION ON NEAR-TERM INFLOWS, OUTFLOWS AND BALANCES OF SPENDABLE RESOURCES. SUCH INFORMATION IS USEFUL IN ASSESSING THE GOVERNMENT'S FINANCING REQUIREMENTS.

THE GOVERNMENT'S GOVERNMENTAL FUNDS (GENERAL, CAPITAL PROJECTS, DEBT SERVICE, AND SPECIAL REVENUE) REPORTED COMBINED FUND BALANCES OF \$4,145,000 AS OF JUNE 30, 2005 AND \$4,728,000 AS OF JUNE 30, 2004. THIS REPRESENTS A DECREASE OF \$583,000 (12%) OVER LAST YEAR'S ENDING BALANCES, WHILE THE CHANGE FROM 2003 TO 2004 INCREASED \$39,000 (8%).

THE GENERAL FUND IS THE CHIEF OPERATING FUND OF THE GOVERNMENT. ALL ACTIVITIES WHICH ARE NOT REQUIRED TO BE ACCOUNTED FOR IN SEPARATE FUNDS EITHER BY STATE OR LOCAL ORDINANCE OR BY A DESIRE TO MAINTAIN A MATCHING OF REVENUES AND EXPENSES, ARE ACCOUNTED FOR IN THIS FUND. EXPENDITURES EXCEEDED REVENUES BY \$1,714,000 AS OF JUNE 30, 2005 AND \$2,171,000 AS OF JUNE 30, 2004. HOWEVER, AFTER INCLUDING OTHER FINANCING SOURCES THE DEFICIT WAS DECREASED TO \$26,000 AS OF JUNE 30, 2005. AS OF JUNE 30, 2004, THERE WAS AN INCREASE OF \$36,000. THESE CHANGES ARE MAINLY DUE TO THE TRANSFER RECEIVED FROM THE PUBLIC UTILITY FUND OF \$2,155,000 AS OF JUNE 30, 2005 AND \$1,859,000 AS OF JUNE 30, 2004. THUS THE GENERAL FUND TOTAL FUND BALANCE DECREASED BY 1.2% TO \$1,936,000 AS OF JUNE 30, 2005 AS COMPARED TO AN INCREASE OF 1.9% TO \$1,962,000 FOR THE PRIOR YEAR. AN ANALYSIS OF THE UNRESTRICTED GENERAL FUND BALANCE AT JUNE 30, 2005 OF \$969,000 SHOWS THAT IT REPRESENTS JUST OVER 9.9% OF PROJECTED REVENUES FOR THE NEW FISCAL YEAR WHICH ENDS JUNE 30, 2006. STATE LAWS ALLOW FOR A MAXIMUM FUND BALANCE OF 18%, SO THE CITY IS WITHIN THOSE LIMITS.

TABLE 4  
GENERAL FUND REVENUE AND TRANSFERS IN  
(IN THOUSANDS)

	2005	2004
TAXES - PROPERTY	\$ 634	\$ 567
TAXES - SALES	2,322	2,119
TAXES - OTHER	792	658
LICENSES AND PERMITS	282	256
INTERGOVERNMENTAL REVENUES	1,905	1,583
CHARGES FOR SERVICES	1,851	1,741
FINES AND FORFEITURES	126	128
MISCELLANEOUS	481	381
BOND & LEASE PROCEED	9	500
TRANSFERS IN	2,155	1,863
	<u>\$10,557</u>	<u>\$9,796</u>

SALES TAXES CONTINUE TO BE THE LARGEST SOURCE OF GENERAL FUND REVENUE REPRESENTING 21% OF THE TOTAL. ALSO, THE GOVERNMENT'S POLICY OF TRANSFERRING FROM THE PUBLIC UTILITY FUNDS, MAINLY THE ELECTRIC OPERATION, TO SUPPLEMENT THE GENERAL FUND OPERATION ACCOUNTED FOR 20.4% OF THE TOTAL. THE FOLLOWING GRAPH ILLUSTRATES THE MAKE UP OF THE REVENUE SOURCES OF THE GENERAL FUND.

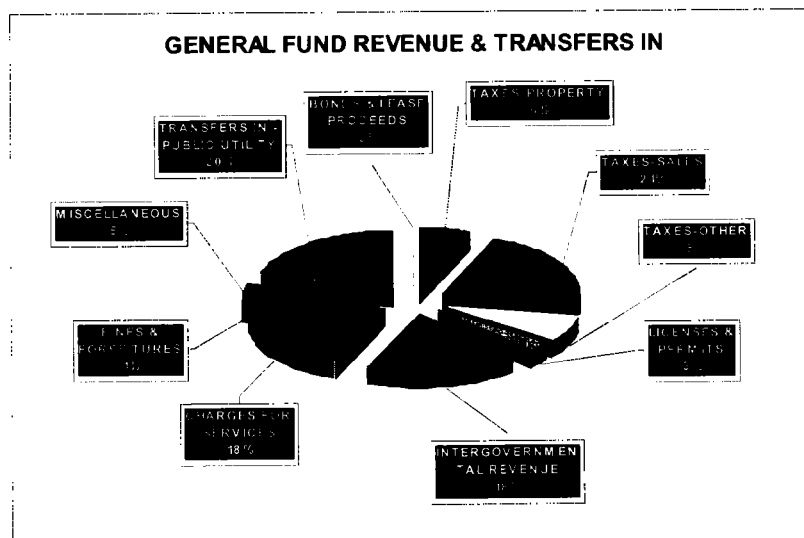
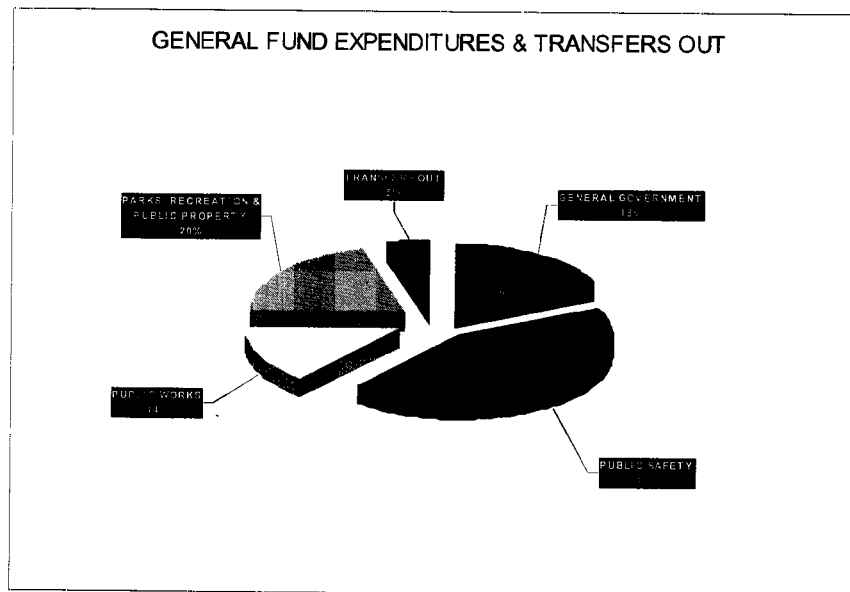


TABLE 5  
GENERAL FUND EXPENDITURES AND TRANSFERS OUT  
(IN THOUSANDS)

	<u>2005</u>	<u>2004</u>
GENERAL GOVERNMENT	\$ 1,873	\$1,931
PUBLIC SAFETY	4,805	3,460
PUBLIC WORKS	1,479	1,604
PARKS, RECREATION & PUBLIC PROPERTY	2,148	2,610
TRANSFERS OUT	<u>477</u>	<u>156</u>
	<u>\$10,582</u>	<u>\$9,761</u>

PUBLIC SAFETY CONTINUES TO BE THE MAJOR COST CENTER IN THE GENERAL FUND. THE POLICE ACCOUNTS FOR 50.4%, OR \$2,321,000, OF THE PUBLIC SAFETY OPERATIONS AND 21.9% OF THE TOTAL GENERAL FUND EXPENDITURES. WHILE AS OF JUNE 30, 2004, THE POLICE ACCOUNTED FOR 63.2% OR \$2,188,000, OF THE PUBLIC SAFETY OPERATION AND 22.4% OF THE TOTAL GENERAL FUND EXPENDITURES. THE PERCENT OF EACH AS OF JUNE 30, 2005 IS SHOWN IN THE FOLLOWING GRAPH.



#### GENERAL FUND BUDGETARY HIGHLIGHTS

DURING THE FISCAL YEAR, THE GENERAL FUND ORIGINAL BUDGET WAS AMENDED FROM AN ORIGINAL BUDGETED EXPENDITURE TOTAL OF \$9,147,855 TO A FINAL BUDGET OF \$11,357,821, AN INCREASE FROM THE ORIGINAL BUDGET OF 24%. THESE INCREASES (MAINLY FROM GRANT FUNDS) WERE MADE TO TAKE ADVANTAGE OF REVENUES BEING GREATER THAN ORIGINALLY ANTICIPATED. THE INCREASE IN THE JUNE 30, 2004 ORIGINAL BUDGET TO THE FINAL BUDGET WAS 9.2%.

THE GENERAL FUND DID NOT OVER EXPEND THE 2004-05 BUDGET. THE ACTUAL EXPENDITURES EXCEEDED THE ACTUAL REVENUE BY \$25,590. THE GOVERNMENT HAD BUDGETED IN THE 2004-05 BUDGET TO USE \$773,200 OF UNAPPROPRIATED FUND BALANCE, BUT ONLY \$25,590 WAS EXPENDED.

#### SPECIAL ASSESSMENT BOND #22 FUND

SPECIAL ASSESSMENT DISTRICTS ARE FORMED BY THE MAJORITY VOTE OF THE PROPERTY OWNERS WHO WANT INFRASTRUCTURES IN THE PUBLIC RIGHT-OF-WAY ABUTTING THEIR PROPERTY. THE COSTS OF THE INFRASTRUCTURES ARE ASSESSED TO ALL THE PROPERTY OWNERS OF THE DISTRICT AT THE END OF THE CONSTRUCTION PERIOD. THE UNPAID ASSESSMENTS (COSTS) ARE FUNDED BY ISSUING SPECIAL ASSESSMENT BONDS. THOSE UNPAID ASSESSMENTS ARE THEN PAID TO THE GOVERNMENT OVER THE LIFE OF THE BONDS AT THE SAME RATE OF INTEREST AS THE BONDS. SPECIAL ASSESSMENT DISTRICT #22 ACCOUNTS FOR THE COLLECTION OF THE YEARLY ASSESSMENT AND THE PAYMENT OF THE DEBT SERVICE OF THE BONDS. DURING 2004 THE GOVERNMENT REFUNDED THE BOND TO TAKE ADVANTAGE OF THE FAVORABLE INTEREST RATES. THE FOLLOWING IS A COMPARISON OF THE FUND:

TABLE 6

	<u>2005</u>	<u>2004</u>
ASSESSMENT PAYMENTS	\$ 254,000	\$ 325,000
DEBT SERVICE	(235,000)	(1,735,000)
REFUNDING PROCEEDS	—	1,272,000
OTHER FINANCING	31,000	70,000
CHANGE IN FUND BALANCE	<u>\$ 49,000</u>	<u>\$ (69,000)</u>

**CAPITAL PROJECT - AIRPORT FUND**

THE CAPITAL PROJECT-AIRPORT FUND ACCOUNTS FOR THE CAPITAL IMPROVEMENTS TO THE GOVERNMENT'S AIRPORT. THE FEDERAL AVIATION AGENCY (FAA) FUNDS 95% OF THE IMPROVEMENTS. THE STATE OF UTAH AND THE GOVERNMENT PROVIDE THE OTHER 5% EQUALLY. THE FOLLOWING IS A COMPARISON OF THIS FUND.

TABLE 7

	<u>2005</u>	<u>2004</u>
FAA REVENUE	\$1,559,000	\$ 74,000
STATE REVENUE	143,000	62,000
CITY REVENUE	81,000	218,000
	<u>\$1,783,000</u>	<u>\$354,000</u>
CAPITAL EXPENDITURES	1,691,000	147,000
	<u>\$ 92,000</u>	<u>\$207,000</u>

**CAPITAL ASSET AND DEBT ADMINISTRATION****CAPITAL ASSETS**

AT JUNE 30, 2005, THE GOVERNMENT HAD \$50,470,000 NET INVESTMENT IN A BROAD RANGE OF CAPITAL ASSETS, INCLUDING POLICE AND FIRE EQUIPMENT, BUILDINGS, PARK FACILITIES, ROADS, BRIDGES, WATER AND SEWER LINES, WASTE TREATMENT PLANT, ELECTRICAL SYSTEM AND STORM DRAIN. THIS AMOUNT REPRESENTS A NET DECREASE (INCLUDING ADDITIONS AND DEDUCTIONS) OF \$124,000, OR .2% OVER LAST YEAR. THE DECREASE FROM JUNE 30, 2003 TO JUNE 30, 2004 WAS \$252,000 OR .5%.

TABLE 8

**CAPITAL ASSETS AT YEAR-END**  
(NET OF DEPRECIATION, IN THOUSANDS)

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTALS</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
LAND	\$ 4,831	\$ 3,885	\$ 1,143	\$ 1,143	\$ 5,974	\$ 5,028
BUILDINGS	7,637	7,637	11,313	11,313	18,950	18,950
IMPROVEMENTS OTHER THAN BUILDINGS	24,656	23,142	31,415	31,076	56,071	54,218
EQUIPMENT	7,751	7,282	520	569	8,271	7,851
SUBTOTAL	44,875	41,946	44,391	44,101	89,266	86,047
ACCUMULATED DEPRECIATION	(15,988)	(14,113)	(22,808)	(21,340)	(38,796)	(35,453)
TOTALS	<u>\$28,887</u>	<u>\$27,833</u>	<u>\$21,583</u>	<u>\$22,761</u>	<u>\$50,470</u>	<u>\$50,594</u>

THE YEAR'S MAJOR ADDITIONS IN THE GOVERNMENTAL ACTIVITIES INCLUDED LAND FOR FUTURE PARK EXPANSION, INFRASTRUCTURE WITHIN THE CITY AND AT THE GOVERNMENT'S AIRPORT. ADDITIONS TO BUSINESS-TYPE ACTIVITIES INCLUDED WATER PROJECTS AND OTHER INFRASTRUCTURE PROJECTS.

THE GOVERNMENT'S 2006 CAPITAL BUDGET ANTICIPATES A SPENDING LEVEL OF \$2,990,000 FOR CAPITAL PROJECTS. THE MAJOR PORTION OF THE ANTICIPATED SPENDING IS TO REPLACE THE UTILITY INFRASTRUCTURE ON MAIN STREET (\$1,250,000). MORE DETAILED INFORMATION ABOUT THE GOVERNMENT'S CAPITAL ASSETS IS PRESENTED IN THE NOTES TO THE BASIC FINANCIAL STATEMENTS.

**DEBT**

AT YEAR-END, THE GOVERNMENT HAD \$9,419,000 IN BONDS AND NOTES OUTSTANDING VERSUS \$11,614,000 LAST YEAR - A DECREASE OF 19% AS SHOWN IN TABLE BELOW.

TABLE 9  
OUTSTANDING DEBT AT YEAR-END  
(IN THOUSANDS)

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTALS</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
GENERAL OBLIGATION BONDS (BACKED BY THE GOVERNMENT)	\$5,884	\$6,353	\$ —	\$ —	\$5,884	\$6,353
GENERAL OBLIGATION REVENUE BONDS AND NOTES (BACKED BY SPECIFIC REVENUES AND THE GOVERNMENT)	<u>1,985</u>	<u>2,445</u>	<u>1,550</u>	<u>2,816</u>	<u>3,535</u>	<u>5,261</u>
TOTALS	<u>\$7,869</u>	<u>\$8,798</u>	<u>\$1,550</u>	<u>\$2,816</u>	<u>\$9,419</u>	<u>\$11,614</u>

THE BOND RATING AGENCIES HAVE RATED THE GOVERNMENT'S OUTSTANDING BONDS AS FOLLOWS:

MOODY'S  
INVESTOR'S SERVICE

GENERAL OBLIGATION BONDS  
WATER, SEWER AND ELECTRIC REVENUE BONDS  
SERIES 1987A  
SERIES 1993

A  
  
Aaa  
Aaa

UNDER CURRENT STATE STATUTES, THE GOVERNMENT'S GENERAL OBLIGATION BONDED DEBT ISSUANCES ARE SUBJECT TO A LEGAL LIMITATION BASED ON 4 PERCENT OF THE VALUE OF THE TAXABLE PROPERTY. AS OF JUNE 30, 2005, THE GOVERNMENT'S GENERAL OBLIGATION BONDED DEBT WAS WELL BELOW THE LEGAL LIMIT OF \$21,600,000.

ADDITIONAL INFORMATION ON THE OUTSTANDING DEBT OBLIGATIONS OF THE GOVERNMENT CAN BE FOUND IN THE NOTES TO THE BASIC FINANCIAL STATEMENTS.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- THE UNEMPLOYMENT RATE FOR BOX ELDER COUNTY (OF WHICH THE GOVERNMENT IS THE LARGEST CITY) WAS 5.2% COMPARED WITH A STATE UNEMPLOYMENT RATE OF 4.6% AND A NATIONAL RATE OF 5.1%.
- THE GENERAL FUND BUDGET FOR THE FISCAL YEAR-ENDING JUNE 30, 2006 REFLECTS A DECREASE OF 7.2% FROM THE FINAL BUDGET FOR THE FISCAL YEAR-ENDED JUNE 30, 2005.

REQUESTS FOR INFORMATION

THIS FINANCIAL REPORT IS DESIGNED TO PROVIDE A GENERAL OVERVIEW OF BRIGHAM CITY CORPORATION'S FINANCES FOR ALL THOSE WITH AN INTEREST IN THE GOVERNMENT'S FINANCES. QUESTIONS CONCERNING ANY INFORMATION PROVIDED IN THIS REPORT OR REQUESTS FOR ADDITIONAL FINANCIAL INFORMATION SHOULD BE ADDRESSED TO: BRIGHAM CITY CORPORATION, FINANCE DIRECTOR, P.O. BOX 1005, BRIGHAM CITY, UT 84302.

BRIGHAM CITY CORPORATION  
STATEMENT OF NET ASSETS  
JUNE 30, 2005

	GOVERNMENTAL		BUSINESS-TYPE		
	ACTIVITIES		ACTIVITIES		TOTAL
ASSETS					
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS	\$	5,125,213	\$	979,768	\$ 6,104,981
RECEIVABLES (NET)		3,051,585		1,990,593	5,042,178
INVENTORIES		17,025		423,395	440,420
PREPAID ASSETS		57,818		25,639	83,457
TOTAL CURRENT ASSETS		<u>8,251,641</u>		<u>3,419,395</u>	<u>11,671,036</u>
NONCURRENT ASSETS:					
CAPITAL ASSETS:					
LAND		4,830,604		1,142,450	5,973,054
NET DEPRECIABLE CAPITAL ASSETS		<u>24,055,683</u>		<u>20,441,213</u>	<u>44,496,896</u>
TOTAL NONCURRENT ASSETS		<u>28,886,287</u>		<u>21,583,663</u>	<u>50,469,950</u>
TOTAL ASSETS	\$	<u>37,137,928</u>	\$	<u>25,003,058</u>	<u>\$ 62,140,986</u>
LIABILITIES					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$	2,054,101	\$	1,475,589	\$ 3,529,690
DEFERRED INCOME		1,472,500		-	1,472,500
CURRENT PORTION OF LONG-TERM DEBT		<u>987,487</u>		<u>160,432</u>	<u>1,147,919</u>
TOTAL CURRENT LIABILITIES		<u>4,514,088</u>		<u>1,636,021</u>	<u>6,150,109</u>
NONCURRENT LIABILITIES:					
LONG-TERM DEBT (BONDS, NOTES & CAPITAL LEASES), NET OF CURRENT PORTION AND BOND ISSUANCE COSTS		<u>6,600,230</u>		<u>1,514,509</u>	<u>8,114,739</u>
TOTAL NONCURRENT LIABILITIES		<u>6,600,230</u>		<u>1,514,509</u>	<u>8,114,739</u>
TOTAL LIABILITIES		<u>11,114,318</u>		<u>3,150,530</u>	<u>14,264,848</u>
NET ASSETS					
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT		20,030,078		5,392,201	25,422,279
RESTRICTED FOR:					
CAPITAL PROJECTS		1,140,393		-	1,140,393
DEBT SERVICE		615,233		395,113	1,010,346
OTHER PURPOSES		763,821		-	763,821
UNRESTRICTED (DEFICIT)		<u>3,474,085</u>		<u>16,065,214</u>	<u>19,539,299</u>
TOTAL NET ASSETS		<u>26,023,610</u>		<u>21,852,528</u>	<u>47,876,138</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>37,137,928</u>	\$	<u>25,003,058</u>	<u>\$ 62,140,986</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2005

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>GOVERNMENTAL ACTIVITIES:</b>				
GENERAL GOVERNMENT	\$ (1,726,364)	\$ 23,815	\$ 359,118	\$ -
PUBLIC SAFETY	(4,679,585)	815,804	163,925	886,673
PUBLIC WORKS	(2,433,215)	917,454	-	1,703,716
CULTURE, PARKS AND RECREATION	(3,611,969)	1,388,913	261,478	8,789
COMMUNITY AND ECONOMIC DEVELOPMENT	(354,724)	-	-	-
INTEREST ON LONG TERM DEBT	(350,885)	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>(13,156,742)</b>	<b>3,145,986</b>	<b>784,521</b>	<b>2,599,178</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
WATER	(1,357,390)	1,623,106	-	-
WASTE TREATMENT	(1,703,830)	1,960,427	-	-
ELECTRIC	(6,587,064)	8,472,501	-	-
WASTE COLLECTION	(684,724)	909,055	-	-
STORM DRAINAGE	(375,225)	473,438	-	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>(10,708,233)</b>	<b>13,438,527</b>	<b>-</b>	<b>-</b>
<b>TOTAL DIRECT ACTIVITIES</b>	<b>\$ (23,864,975)</b>	<b>\$ 16,584,513</b>	<b>\$ 784,521</b>	<b>\$ 2,599,178</b>
<b>GENERAL REVENUES:</b>				
PROPERTY TAXES				
SALES TAXES				
FRANCHISE TAXES				
GRANTS AND CONTRIBUTION-UNRESTRICTED				
INTEREST AND INVESTMENT EARNINGS				
MISCELLANEOUS				
TRANSFERS--INTERNAL ACTIVITY				
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>				
<b>CHANGE IN NET ASSETS</b>				
<b>NET ASSETS--BEGINNING</b>				
<b>NET ASSETS--ENDING</b>				

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

(CONTINUED)

## CHANGES IN NET ASSETS

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (1,343,431)	\$ - -	\$ (1,343,431)
(2,813,183)	- -	(2,813,183)
187,955	- -	187,955
(1,952,789)	- -	(1,952,789)
(354,724)	- -	(354,724)
(350,885)	- -	(350,885)
<u>(6,627,057)</u>	<u>- -</u>	<u>(6,627,057)</u>
- -	265,716	265,716
- -	256,597	256,597
- -	1,885,437	1,885,437
- -	224,331	224,331
- -	<u>98,213</u>	<u>98,213</u>
- -	<u>2,730,294</u>	<u>2,730,294</u>
<u>(6,627,057)</u>	<u>2,730,294</u>	<u>(3,896,763)</u>
 \$ 2,017,745	 \$ - -	 \$ 2,017,745
2,322,052	- -	2,322,052
791,767	- -	791,767
12,081	- -	12,081
199,592	- -	199,592
74,922	- -	74,922
<u>2,974,780</u>	<u>(2,974,780)</u>	<u>- -</u>
<u>8,392,939</u>	<u>(2,974,780)</u>	<u>5,418,159</u>
 1,765,882	 (244,486)	 1,521,396
<u>24,257,728</u>	<u>22,097,014</u>	<u>46,354,742</u>
<u>\$ 26,023,610</u>	<u>\$ 21,852,528</u>	<u>\$ 47,876,138</u>

## BRIGHAM CITY CORPORATION

## BALANCE SHEET

## GOVERNMENTAL FUNDS

JUNE 30, 2005

	GENERAL FUND	SPECIAL ASSESSMENT BONDS #22 FUND	CAPITAL PROJECT AIRPORT FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
CASH AND CASH EQUIVALENTS	\$ 1,480,166	\$ 98,259	\$ 397,508	\$ 2,205,703	\$ 4,181,636
RECEIVABLES (NET)	386,116	1,074,000	431,644	483,522	2,375,282
INTERFUND RECEIVABLES	511,620	- -	- -	156,403	668,023
INVENTORIES	- -	- -	- -	- -	- -
PREPAID ASSETS	50,857	- -	- -	3,642	54,499
CAPITAL ASSETS, NET OF DEPRECIATION	- -	- -	- -	- -	- -
<b>TOTAL ASSETS</b>	<b>\$ 2,428,759</b>	<b>\$ 1,172,259</b>	<b>\$ 829,152</b>	<b>\$ 2,849,270</b>	<b>\$ 7,279,440</b>
<b>LIABILITIES</b>					
ACCOUNTS PAYABLE AND ACCRUALS	\$ 469,134	- -	\$ 385,392	\$ 139,889	\$ 994,415
INTERFUND PAYABLES	- -	- -	- -	668,023	668,023
DEFERRED INCOME	23,531	1,074,000	- -	374,969	1,472,500
LONG-TERM LIABILITIES (BONDS, NOTES & CAPITAL LEASES):					
DUE WITHIN ONE YEAR	- -	- -	- -	- -	- -
DUE IN MORE THAN ONE YEAR	- -	- -	- -	- -	- -
<b>TOTAL LIABILITIES</b>	<b>492,665</b>	<b>1,074,000</b>	<b>385,392</b>	<b>1,182,881</b>	<b>3,134,938</b>
<b>FUND BALANCES</b>					
RESERVED FOR SPECIFIC PURPOSES	967,500	- -	- -	28,610	996,110
UNRESERVED, REPORTED IN:					
CAPITAL PROJECT FUNDS	- -	- -	443,760	696,633	1,140,393
DEBT SERVICE FUNDS	- -	98,259	- -	516,974	615,233
SPECIAL REVENUE FUNDS	- -	- -	- -	424,172	424,172
GENERAL FUND	968,594	- -	- -	- -	968,594
<b>TOTAL FUND BALANCES</b>	<b>1,936,094</b>	<b>98,259</b>	<b>443,760</b>	<b>1,666,389</b>	<b>4,144,502</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,428,759</b>	<b>\$ 1,172,259</b>	<b>\$ 829,152</b>	<b>\$ 2,849,270</b>	<b>\$ 7,279,440</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.



BRIGHAM CITY CORPORATION  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2005

	TOTAL GOVERNMENTAL FUNDS
TOTAL GOVERNMENTAL FUND BALANCES	\$ 4,144,502
AMOUNTS REPORTED IN THE STATEMENT OF NET ASSETS ARE DIFFERENT BECAUSE:	
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN THE FUNDS	26,028,280
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS	(7,737,504)
ELIMINATION OF INTERFUND OPERATION PROFITS ARE NOT REQUIRED AND THEREFORE ARE NOT REPORTED IN THE FUNDS	(206,226)
FUND BALANCE IN THE INTERNAL SERVICE FUND IS NOT REPORTED IN THE GOVERNMENTAL FUNDS	<u>3,794,558</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 26,023,610</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2005

	GENERAL FUND	SPECIAL ASSESSMENT BONDS #22 FUND	CAPITAL PROJECT AIRPORT FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
TAXES	\$ 3,747,585	\$ -	\$ -	\$ 1,383,979	\$ 5,131,564
LICENSES AND PERMITS	282,049	-	-	-	282,049
INTERGOVERNMENTAL REVENUE	1,904,832	-	1,702,030	29,296	3,636,158
CHARGES FOR SERVICES	1,851,087	-	-	748,989	2,600,076
FINES AND FORFEITURES	125,981	-	-	28,221	154,202
MISCELLANEOUS	480,819	254,043	-	200,931	935,793
<b>TOTAL REVENUES</b>	<u>8,392,353</u>	<u>254,043</u>	<u>1,702,030</u>	<u>2,391,416</u>	<u>12,739,842</u>
<b>EXPENDITURES:</b>					
<b>CURRENT:</b>					
GENERAL GOVERNMENT	1,873,166	-	-	-	1,873,166
PUBLIC SAFETY	4,605,450	-	-	76,162	4,681,612
PUBLIC WORKS	1,479,141	-	-	33,217	1,512,358
PARKS, RECREATION AND PUBLIC PROPERTY	2,148,112	-	-	1,132,323	3,280,435
COMMUNITY AND ECONOMIC DEVELOPMENT	-	-	-	466,887	466,887
CAPITAL OUTLAY	-	-	1,690,575	905,943	2,596,518
<b>DEBT SERVICE:</b>					
PRINCIPAL	-	198,000	-	631,000	829,000
INTEREST AND FISCAL CHARGES	-	38,161	-	312,724	350,885
<b>TOTAL EXPENDITURES</b>	<u>10,105,869</u>	<u>236,161</u>	<u>1,690,575</u>	<u>3,558,256</u>	<u>15,590,861</u>
<b>EXCESS [DEFICIENCY] OF REVENUES OVER EXPENDITURES</b>	<u>(1,713,516)</u>	<u>17,882</u>	<u>11,455</u>	<u>(1,166,840)</u>	<u>(2,851,019)</u>
<b>OTHER FINANCING SOURCES [USES]:</b>					
TRANSFERS IN	2,155,025	31,100	80,948	725,529	2,992,602
TRANSFERS OUT	(476,746)	-	-	(257,547)	(734,293)
ISSUANCE OF BONDS AND LEASES	9,647	-	-	-	9,647
<b>TOTAL OTHER FINANCING SOURCES [USES]</b>	<u>1,687,926</u>	<u>31,100</u>	<u>80,948</u>	<u>467,982</u>	<u>2,267,956</u>
<b>NET CHANGE IN FUND BALANCE</b>	(25,590)	48,982	92,403	(698,858)	(583,063)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,961,684</u>	<u>49,277</u>	<u>351,357</u>	<u>2,365,247</u>	<u>4,727,565</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 1,936,094</u>	<u>\$ 98,259</u>	<u>\$ 443,760</u>	<u>\$ 1,666,389</u>	<u>\$ 4,144,502</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2005

	TOTAL GOVERNMENTAL FUNDS
NET CHANGE IN FUND BALANCES	\$ (583,063)
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:	
GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES. HOWEVER IN THE STATEMENT OF ACTIVITIES THE COST OF THOSE ASSETS IS ALLOCATED OVER THEIR ESTIMATED LIVES AS DEPRECIATION EXPENSE:	
CAPITAL OUTLAY	2,795,284
DEPRECIATION EXPENSE	(1,495,497)
REPAYMENT OF BOND PRINCIPAL IS AN EXPENDITURE IN THE GOVERNMENTAL FUNDS, ON THE STATEMENT OF NET ASSETS IT REDUCES LONG-TERM LIABILITIES	
	938,118
BOND PROCEEDS IS A REVENUE IN THE GOVERNMENTAL FUNDS, BUT THE PROCEEDS INCREASE LONG-TERM DEBT IN THE STATEMENT OF NET ASSETS	
	--
IN THE STATEMENT OF ACTIVITIES, INTEREST ON OUTSTANDING BONDS AND SALARY ON COMPENSATED ABSENCES ARE ACCRUED, WHEREAS IN GOVERNMENTAL FUNDS, THE EXPENSE IS REPORTED WHEN DUE	
	12,416
ELIMINATION OF INTERFUND OPERATIONS PROFITS ARE NOT REPORTED IN THE GOVERNMENTAL FUNDS	
	(24,093)
NET REVENUE OF INTERNAL SERVICE FUND NOT REPORTED IN THE GOVERNMENTAL FUNDS	
	<u>122,717</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,765,882</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2005

(CONTINUED)

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES:</b>				
<b>TAXES:</b>				
GENERAL PROPERTY TAXES	\$ 587,000	\$ 587,000	\$ 633,766	\$ 46,766
GENERAL SALES AND USE TAXES	2,171,005	2,171,005	2,322,064	151,059
FRANCHISE TAXES	<u>995,625</u>	<u>595,625</u>	<u>791,767</u>	<u>196,142</u>
TOTAL TAXES	<u>3,353,630</u>	<u>3,353,630</u>	<u>3,747,597</u>	<u>393,967</u>
<b>LICENSES AND PERMITS:</b>				
BUSINESS LICENSES	37,300	37,300	45,170	7,870
OTHER LICENSES AND PERMITS	<u>194,662</u>	<u>234,662</u>	<u>236,879</u>	<u>2,217</u>
TOTAL LICENSES AND PERMITS	<u>231,962</u>	<u>271,962</u>	<u>282,049</u>	<u>10,087</u>
<b>INTERGOVERNMENTAL REVENUES:</b>				
FEDERAL GRANTS	370,527	1,598,527	1,340,906	(257,621)
STATE GRANTS	65,000	65,000	9,818	(55,182)
STATE SHARED REVENUE	<u>683,000</u>	<u>683,000</u>	<u>554,108</u>	<u>(128,892)</u>
TOTAL INTERGOVERNMENTAL REVENUES	<u>1,118,527</u>	<u>2,346,527</u>	<u>1,904,832</u>	<u>(441,695)</u>
<b>CHARGES FOR SERVICES:</b>				
GENERAL GOVERNMENT	818,645	818,645	814,763	(3,882)
PUBLIC SAFETY	453,691	563,691	578,350	14,659
PARKS AND RECREATION	377,550	377,550	319,443	(58,107)
CEMETERIES	109,600	120,600	122,840	2,240
MISCELLANEOUS SERVICES	-	<u>3,366</u>	<u>15,691</u>	<u>12,325</u>
TOTAL CHARGES FOR SERVICES	<u>1,759,486</u>	<u>1,883,852</u>	<u>1,851,087</u>	<u>(32,765)</u>
<b>FINES AND FORFEITURES:</b>				
FINES AND FORFEITURES	<u>160,000</u>	<u>160,000</u>	<u>125,981</u>	<u>(34,019)</u>
TOTAL FINES AND FORFEITURES	<u>160,000</u>	<u>160,000</u>	<u>125,981</u>	<u>(34,019)</u>
<b>MISCELLANEOUS REVENUE:</b>				
INTEREST INCOME	65,000	65,000	122,600	57,600
RENTS AND CONCESSIONS	7,500	12,300	16,867	4,567
SENIOR CITIZENS	229,711	229,711	273,332	43,621
MUSEUM GALLERY	12,400	17,400	20,528	3,128
OTHER	<u>40,500</u>	<u>65,500</u>	<u>47,492</u>	<u>(18,008)</u>
TOTAL MISCELLANEOUS REVENUES	<u>355,111</u>	<u>389,911</u>	<u>480,819</u>	<u>90,908</u>
<b>TOTAL REVENUES</b>	<u>6,978,716</u>	<u>8,405,882</u>	<u>8,392,365</u>	<u>(13,517)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2005

(CONTINUED)

	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES:				
GENERAL GOVERNMENT:				
CITY COUNCIL:				
PERSONNEL SERVICES	\$ 40,311	\$ 41,611	\$ 40,659	\$ 952
SUPPLIES	4,750	3,350	2,310	1,040
OTHER SERVICES AND CHARGES	42,200	42,300	34,574	7,726
CAPITAL OUTLAY	- -	- -	- -	- -
TOTAL CITY COUNCIL	<u>87,261</u>	<u>87,261</u>	<u>77,543</u>	<u>9,718</u>
MAYOR'S OFFICE:				
PERSONNEL SERVICES	251,347	272,847	268,551	4,296
SUPPLIES	39,600	48,600	44,266	4,334
OTHER SERVICES AND CHARGES	152,180	113,480	107,527	5,953
CAPITAL OUTLAY	2,400	400	229	171
TOTAL MAYOR'S OFFICE	<u>445,527</u>	<u>435,327</u>	<u>420,573</u>	<u>14,754</u>
ADMINISTRATIVE:				
PERSONNEL SERVICES	329,176	325,676	319,854	5,822
SUPPLIES	64,000	53,000	49,838	3,162
OTHER SERVICES AND CHARGES	128,600	297,600	293,006	4,594
CAPITAL OUTLAY	41,450	40,450	40,272	178
TOTAL ADMINISTRATIVE	<u>563,226</u>	<u>716,726</u>	<u>702,970</u>	<u>13,756</u>
BUILDINGS:				
PERSONNEL SERVICES	104,807	107,057	105,501	1,556
SUPPLIES	50,325	57,025	54,425	2,600
OTHER SERVICES AND CHARGES	90,974	74,524	72,579	1,945
CAPITAL OUTLAY	14,978	12,978	9,772	3,206
TOTAL BUILDINGS	<u>261,084</u>	<u>251,584</u>	<u>242,277</u>	<u>9,307</u>
PLANNING AND ECONOMIC DEVELOPMENT				
PERSONNEL SERVICES	102,724	101,424	98,939	2,485
SUPPLIES	7,700	11,200	9,414	1,786
OTHER SERVICES AND CHARGES	30,300	43,500	43,128	372
CAPITAL OUTLAY	1,200	2,200	1,882	318
TOTAL PLANNING AND ZONING	<u>141,924</u>	<u>158,324</u>	<u>153,363</u>	<u>4,961</u>
RISK MANAGEMENT:				
OTHER SUPPLIES AND CHARGES	363,500	280,600	276,440	4,160
TOTAL RISK MANAGEMENT	<u>363,500</u>	<u>280,600</u>	<u>276,440</u>	<u>4,160</u>
TOTAL GENERAL GOVERNMENT	<u>1,862,522</u>	<u>1,929,822</u>	<u>1,873,166</u>	<u>56,656</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2005

(CONTINUED)

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>PUBLIC SAFETY:</b>				
POLICE:				
PERSONNEL SERVICES	\$ 1,866,203	\$ 1,882,803	\$ 1,879,959	\$ 2,844
SUPPLIES	186,067	182,167	180,635	1,532
OTHER SERVICES AND CHARGES	218,545	249,145	245,771	3,374
CAPITAL OUTLAY	19,250	14,450	14,374	76
TOTAL POLICE	<u>2,290,065</u>	<u>2,328,565</u>	<u>2,320,739</u>	<u>7,826</u>
EMERGENCY SERVICES:				
PERSONNEL SERVICES	326,382	382,182	361,581	20,601
SUPPLIES	96,465	100,665	93,988	6,677
OTHER SERVICES AND CHARGES	237,310	304,710	296,371	8,339
CAPITAL OUTLAY	28,000	1,189,500	1,178,364	11,136
TOTAL EMERGENCY SERVICES	<u>688,157</u>	<u>1,977,057</u>	<u>1,930,304</u>	<u>46,753</u>
COMMUNITY DEVELOPMENT:				
PERSONNEL SERVICES	269,896	267,596	264,266	3,330
SUPPLIES	17,719	15,319	12,366	2,953
OTHER SERVICES AND CHARGES	35,954	79,654	76,862	2,792
CAPITAL OUTLAY	250	1,250	913	337
TOTAL INSPECTION	<u>323,819</u>	<u>363,819</u>	<u>354,407</u>	<u>9,412</u>
TOTAL PUBLIC SAFETY	<u>3,302,041</u>	<u>4,669,441</u>	<u>4,605,450</u>	<u>63,991</u>
PUBLIC WORKS:				
STREETS AND HIGHWAYS:				
PERSONNEL SERVICES	428,847	426,747	422,880	3,867
SUPPLIES	125,289	146,089	141,549	4,540
OTHER SERVICES AND CHARGES	782,828	747,128	736,825	10,303
CAPITAL OUTLAY	35,000	12,000	11,859	141
TOTAL STREETS AND HIGHWAYS	<u>1,371,964</u>	<u>1,331,964</u>	<u>1,313,113</u>	<u>18,851</u>
ENGINEERING:				
PERSONNEL SERVICES	139,431	136,431	132,809	3,622
SUPPLIES	9,700	10,800	9,751	1,049
OTHER SERVICES AND CHARGES	8,240	10,140	9,750	390
CAPITAL OUTLAY	4,200	13,800	13,718	82
TOTAL ENGINEERING	<u>161,571</u>	<u>171,171</u>	<u>166,028</u>	<u>5,143</u>
TOTAL PUBLIC WORKS	<u>1,533,535</u>	<u>1,503,135</u>	<u>1,479,141</u>	<u>23,994</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2005

(CONTINUED)

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
PARKS, RECREATION, AND PUBLIC PROPERTY:				
PARKS:				
PERSONNEL SERVICES	\$ 378,360	\$ 405,660	\$ 399,788	\$ 5,872
SUPPLIES	92,880	103,580	100,053	3,527
OTHER SERVICES AND CHARGES	78,797	73,097	69,743	3,354
CAPITAL OUTLAY	<u>203,950</u>	<u>176,416</u>	<u>130,441</u>	<u>45,975</u>
TOTAL PARKS	<u>753,987</u>	<u>758,753</u>	<u>700,025</u>	<u>58,728</u>
RECREATION:				
PERSONNEL SERVICES	259,195	228,995	224,049	4,946
SUPPLIES	68,698	66,998	59,361	7,637
OTHER SERVICES AND CHARGES	244,762	241,662	217,420	24,242
CAPITAL OUTLAY	<u>135,000</u>	<u>10,000</u>	<u>- -</u>	<u>10,000</u>
TOTAL RECREATION	<u>707,655</u>	<u>547,655</u>	<u>500,830</u>	<u>46,825</u>
CEMETERY:				
PERSONNEL SERVICES	157,815	172,399	172,393	6
SUPPLIES	30,352	37,013	37,006	7
OTHER SERVICES AND CHARGES	23,528	28,258	27,255	1,003
CAPITAL OUTLAY	<u>24,550</u>	<u>22,575</u>	<u>22,575</u>	<u>- -</u>
TOTAL CEMETERY	<u>236,245</u>	<u>260,245</u>	<u>259,229</u>	<u>1,016</u>
MUSEUM GALLERY:				
PERSONNEL SERVICES	91,320	98,920	98,347	573
SUPPLIES	4,250	3,850	3,610	240
OTHER SERVICES AND CHARGES	21,560	25,125	24,275	850
CAPITAL OUTLAY	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL MUSEUM GALLERY	<u>117,130</u>	<u>127,895</u>	<u>126,232</u>	<u>1,663</u>
SENIOR CITIZENS:				
PERSONNEL SERVICES	293,901	335,921	335,482	439
SUPPLIES	19,345	17,599	17,189	410
OTHER SERVICES AND CHARGES	161,394	211,200	201,710	9,490
CAPITAL OUTLAY	<u>12,500</u>	<u>7,420</u>	<u>7,415</u>	<u>5</u>
TOTAL SENIOR CITIZENS	<u>487,140</u>	<u>572,140</u>	<u>561,796</u>	<u>10,344</u>
TOTAL PARKS, RECREATION AND PUBLIC PROPERTY	<u>2,302,157</u>	<u>2,266,688</u>	<u>2,148,112</u>	<u>118,576</u>
TOTAL EXPENDITURES	<u>9,000,255</u>	<u>10,369,086</u>	<u>10,105,869</u>	<u>263,217</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(2,021,539)</u>	<u>(1,963,204)</u>	<u>(1,713,504)</u>	<u>249,700</u>

THE ACCOMPANYING NOTES ARE AN INTERGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2005

(CONTINUED)

	BUDGETARY AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
OTHER FINANCING SOURCES (USES):				
ISSUANCE OF BONDS & LEASES	\$ - -	\$ 9,600	\$ 9,647	\$ 47
OPERATING TRANSFERS IN	2,169,139	2,169,139	2,155,013	(14,126)
OPERATING TRANSFERS OUT	(147,600)	(988,735)	(476,746)	511,989
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,021,539</u>	<u>1,190,004</u>	<u>1,687,914</u>	<u>497,910</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	- -	(773,200)	(25,590)	747,610
FUND BALANCE AT BEGINNING OF YEAR	<u>1,961,684</u>	<u>1,961,684</u>	<u>1,961,684</u>	- -
FUND BALANCE AT END OF YEAR	<u>\$ 1,961,684</u>	<u>\$ 1,188,484</u>	<u>\$ 1,936,094</u>	<u>\$ 747,610</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.



BRIGHAM CITY CORPORATION  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2005

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL
	PUBLIC	STORM		ACTIVITIES
	UTILITY	DRAIN	TOTAL	INTERNAL
				SERVICE
<b>ASSETS</b>				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 946,170	\$ 33,598	\$ 979,768	\$ 1,149,803
RECEIVABLES (NET)	1,990,593	- -	1,990,593	8,280
INVENTORIES	423,395	- -	423,395	17,025
PREPAID ASSETS	25,625	14	25,639	3,319
TOTAL CURRENT ASSETS	<u>3,385,783</u>	<u>33,612</u>	<u>3,419,395</u>	<u>1,178,427</u>
NONCURRENT ASSETS:				
CAPITAL ASSETS:				
LAND	685,504	456,946	1,142,450	- -
NET DEPRECIABLE CAPITAL ASSETS	18,083,334	2,357,879	20,441,213	2,858,007
TOTAL NONCURRENT ASSETS	<u>18,768,838</u>	<u>2,814,825</u>	<u>21,583,663</u>	<u>2,858,007</u>
TOTAL ASSETS	<u>\$ 22,154,621</u>	<u>\$ 2,848,437</u>	<u>\$ 25,003,058</u>	<u>\$ 4,036,434</u>
<b>LIABILITIES</b>				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 870,233	\$ 605,356	\$ 1,475,589	\$ 101,874
DEFERRED INCOME	- -	- -	- -	- -
CURRENT PORTION OF LONG-TERM DEBT	160,432	- -	160,432	32,487
TOTAL CURRENT LIABILITIES	<u>1,030,665</u>	<u>605,356</u>	<u>1,636,021</u>	<u>134,361</u>
NONCURRENT LIABILITIES:				
LONG-TERM DEBT (BONDS, NOTES & CAPITAL LEASES), NET OF CURRENT PORTION AND BOND ISSUANCE COSTS				
	<u>1,514,509</u>	<u>- -</u>	<u>1,514,509</u>	<u>107,515</u>
TOTAL NONCURRENT LIABILITIES	<u>1,514,509</u>	<u>- -</u>	<u>1,514,509</u>	<u>107,515</u>
TOTAL LIABILITIES	<u>2,545,174</u>	<u>605,356</u>	<u>3,150,530</u>	<u>241,876</u>
<b>NET ASSETS</b>				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT				
	5,392,201	- -	5,392,201	1,492,324
RESTRICTED FOR:				
CAPITAL PROJECTS	- -	- -	- -	- -
DEBT SERVICE	395,113	- -	395,113	- -
OTHER PURPOSES	- -	- -	- -	- -
UNRESTRICTED (DEFICIT)	<u>13,822,133</u>	<u>2,243,081</u>	<u>16,065,214</u>	<u>2,302,234</u>
TOTAL NET ASSETS	<u>19,609,447</u>	<u>2,243,081</u>	<u>21,852,528</u>	<u>3,794,558</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 22,154,621</u>	<u>\$ 2,848,437</u>	<u>\$ 25,003,058</u>	<u>\$ 4,036,434</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET ASSETS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2005

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL
	PUBLIC	STORM		ACTIVITIES
	UTILITY	DRAIN	TOTAL	INTERNAL
				SERVICE
OPERATING REVENUES:				
CHARGES FOR SERVICES	\$ 12,930,197	\$ 473,438	\$ 13,403,635	\$ - -
INTERFUND SERVICES PROVIDED	- -	- -	- -	1,638,440
<b>TOTAL OPERATING REVENUES</b>	<b>12,930,197</b>	<b>473,438</b>	<b>13,403,635</b>	<b>1,638,440</b>
OPERATING EXPENSES:				
SALARIES AND WAGES	2,051,129	42,631	2,093,760	247,237
MATERIAL AND SUPPLIES	842,946	203,542	1,046,488	463,391
SERVICES	221,290	- -	221,290	15,447
SPECIAL DEPARTMENT SUPPLIES	905,189	- -	905,189	- -
OTHER CHARGES	283,741	- -	283,741	- -
DEPRECIATION	1,413,654	149,053	1,562,707	808,772
POWER PURCHASE	4,396,417	- -	4,396,417	- -
SUNDRY EXPENSES	76,084	- -	76,084	- -
INTRAGOVERNMENTAL CHARGES	668,818	- -	668,818	- -
<b>TOTAL OPERATING EXPENSES</b>	<b>10,859,268</b>	<b>395,226</b>	<b>11,254,494</b>	<b>1,534,847</b>
OPERATING INCOME	2,070,929	78,212	2,149,141	103,593
NON-OPERATING REVENUES [EXPENSES]:				
INTEREST INCOME	34,892	- -	34,892	- -
INTEREST EXPENSE	(142,558)	- -	(142,558)	(8,530)
TOTAL NON-OPERATING REVENUES [EXPENSES]	(107,666)	- -	(107,666)	(8,530)
INCOME BEFORE OPERATING TRANSFERS	1,963,263	78,212	2,041,475	95,063
TRANSFERS	(2,285,961)	- -	(2,285,961)	27,654
CHANGE IN NET ASSETS	(322,698)	78,212	(244,486)	122,717
TOTAL NET ASSETS AT BEGINNING OF YEAR	19,932,145	2,164,869	22,097,014	3,671,841
TOTAL NET ASSETS AT END OF YEAR	\$ 19,609,447	\$ 2,243,081	\$ 21,852,528	\$ 3,794,558

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2005

	BUSINESS TYPE ACTIVITIES			GOVERNMENTAL
	PUBLIC UTILITY	STORM	TOTAL	ACTIVITIES
	FUND	DRAIN		INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:				
CASH RECEIVED FROM CUSTOMERS	\$12,930,197	\$ 473,438	\$13,403,635	\$ —
CASH PAID TO SUPPLIERS	(7,294,995)	(332,597)	(7,627,592)	(433,186)
CASH PAID TO EMPLOYEES	(2,051,129)	(42,631)	(2,093,760)	(247,237)
CASH RECEIVED FROM/(PAID TO) INTERFUND SERVICES	(497,828)	(53,326)	(551,154)	1,638,440
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>3,086,245</u>	<u>44,884</u>	<u>3,131,129</u>	<u>958,017</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
TRANSFERS	(2,285,961)	—	(2,285,961)	27,654
NET CASH (USED)/PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>(2,285,961)</u>	<u>—</u>	<u>(2,285,961)</u>	<u>27,654</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
PURCHASE OF CAPITAL ASSETS	(373,754)	(11,286)	( 385,040)	(555,813)
PRINCIPAL PAYMENT ON CAPITAL DEBT	(1,207,438)	—	(1,207,438)	(30,943)
PROCEEDS FROM CAPITAL DEBT	15,000	—	15,000	—
INTEREST PAID ON CAPITAL DEBT	(142,558)	—	(142,558)	(8,530)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,708,750)</u>	<u>(11,286)</u>	<u>(1,720,036)</u>	<u>(595,286)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
INTEREST	<u>34,892</u>	<u>—</u>	<u>34,892</u>	<u>—</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	( 873,574)	33,598	(839,976)	390,385
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,819,744</u>	<u>—</u>	<u>1,819,744</u>	<u>759,418</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$946,170</u>	<u>33,598</u>	<u>\$ 979,768</u>	<u>\$1,149,803</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED				
BY OPERATING ACTIVITIES:				
OPERATING INCOME	\$2,070,929	\$ 78,212	\$ 2,149,141	\$ 103,593
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH				
PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION	1,413,654	149,053	1,562,707	808,772
CHANGES IN ASSETS & LIABILITIES:				
RECEIVABLES	(400,405)	—	(400,405)	(8,280)
INVENTORY	(15,632)	—	(15,632)	(68)
PREPAID EXPENSES	(25,625)	(14)	(25,639)	(3,319)
ACCOUNTS PAYABLE AND ACCRUALS	<u>43,324</u>	<u>(182,367)</u>	<u>(139,043)</u>	<u>57,319</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$3,086,245</u>	<u>\$ 44,884</u>	<u>\$ 3,131,129</u>	<u>\$ 958,017</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

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BRIGHAM CITY CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

THE FINANCIAL STATEMENTS OF BRIGHAM CITY CORPORATION (GOVERNMENT) HAVE BEEN PREPARED IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) AS APPLIED TO GOVERNMENT UNITS. THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) IS THE ACCEPTED STANDARD-SETTING BODY FOR ESTABLISHING GOVERNMENTAL ACCOUNTING AND FINANCIAL REPORTING PRINCIPLES. THE MORE SIGNIFICANT OF THE GOVERNMENT'S ACCOUNTING POLICIES ARE DESCRIBED BELOW.

**A. REPORTING ENTITY**

BRIGHAM CITY CORPORATION IS A MUNICIPAL CORPORATION GOVERNED BY AN ELECTED MAYOR AND FIVE-MEMBER COUNCIL. THE ACCOMPANYING FINANCIAL STATEMENTS PRESENT THE GOVERNMENT AND ITS COMPONENT UNITS, ENTITIES FOR WHICH THE GOVERNMENT IS CONSIDERED TO BE FINANCIALLY ACCOUNTABLE. BLENDED COMPONENT UNITS, ALTHOUGH LEGALLY SEPARATE ENTITIES, ARE, IN SUBSTANCE, PART OF THE GOVERNMENT'S OPERATIONS.

**BLENDED COMPONENT UNITS:**

REDEVELOPMENT AGENCY OF BRIGHAM CITY, UTAH. THE GOVERNMENT'S GOVERNING BOARD IS THE BOARD OF THE REDEVELOPMENT AGENCY OF BRIGHAM CITY, UTAH (AGENCY). THE AGENCY IS FINANCIALLY DEPENDENT UPON THE GOVERNMENT.

MUNICIPAL BUILDING AUTHORITY OF BRIGHAM CITY (MBA). THE MBA'S GOVERNING BOARD IS FINANCIALLY DEPENDENT UPON THE GOVERNMENT. THERE WAS NO ACTIVITY DURING THE YEAR.

**BASIS OF PRESENTATION - FUND ACCOUNTING.** THE ACCOUNTING SYSTEM IS ORGANIZED AND OPERATED ON A FUND BASIS. A FUND IS DEFINED AS A FISCAL AND ACCOUNTING ENTITY WITH A SELF-BALANCING SET OF ACCOUNTS, WHICH ARE SEGREGATED FOR THE PURPOSE OF CARRYING ON SPECIFIC ACTIVITIES OR ATTAINING CERTAIN OBJECTIVES IN ACCORDANCE WITH SPECIAL REGULATIONS, RESTRICTIONS OR LIMITATIONS.

THE CITY'S FUNDS ARE GROUPED INTO TWO BROAD FUND CATEGORIES AND SIX GENERIC FUND TYPES FOR FINANCIAL STATEMENT PRESENTATION PURPOSES. GOVERNMENTAL FUNDS INCLUDE THE GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUNDS. PROPRIETARY FUNDS INCLUDE ENTERPRISE FUNDS AND AN INTERNAL SERVICE FUND. THE CITY DOES NOT HAVE FIDUCIARY AGENCY FUNDS.

**B. BASIS OF ACCOUNTING**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

THE GOVERNMENT-WIDE FINANCIAL STATEMENTS (I.E., THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES) REPORT INFORMATION ON ALL OF THE NON-FIDUCIARY ACTIVITIES OF THE PRIMARY GOVERNMENT. GOVERNMENTAL ACTIVITIES, WHICH ARE NORMALLY SUPPORTED BY TAXES AND INTERGOVERNMENTAL REVENUES, ARE REPORTED SEPARATELY FROM BUSINESS-TYPE ACTIVITIES, WHICH PRIMARILY RELY ON FEES AND CHARGES FOR SUPPORT. INTERNAL SERVICE FUND ACTIVITY IS ELIMINATED TO AVOID "DOUBLING UP" REVENUES AND EXPENSES.

THE GOVERNMENT-WIDE STATEMENTS ARE PREPARED USING THE ECONOMIC RESOURCES MEASUREMENT FOCUS AND THE ACCRUAL BASIS OF ACCOUNTING. THIS IS THE SAME APPROACH USED IN THE PREPARATION OF THE PROPRIETARY FUND FINANCIAL STATEMENTS BUT DIFFERS FROM THE MANNER IN WHICH GOVERNMENTAL FUND FINANCIAL STATEMENTS ARE PREPARED. THEREFORE, GOVERNMENTAL FUND FINANCIAL STATEMENTS INCLUDE A RECONCILIATION WITH BRIEF EXPLANATIONS TO BETTER IDENTIFY THE RELATIONSHIP BETWEEN THE GOVERNMENT-WIDE STATEMENTS AND THE STATEMENTS FOR GOVERNMENTAL FUNDS. THE PRIMARY EFFECT OF INTERNAL ACTIVITY HAS BEEN ELIMINATED FROM THE GOVERNMENT-WIDE FINANCIAL STATEMENTS.

THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES PRESENTS A COMPARISON BETWEEN EXPENSES, BOTH DIRECT AND INDIRECT, AND PROGRAM REVENUES FOR EACH SEGMENT OF THE BUSINESS-TYPE ACTIVITIES OF THE CITY AND FOR EACH GOVERNMENTAL PROGRAM. DIRECT EXPENSES ARE THOSE THAT ARE SPECIFICALLY ASSOCIATED WITH A SERVICE, PROGRAM OR DEPARTMENT AND ARE THEREFORE CLEARLY IDENTIFIABLE TO A PARTICULAR FUNCTION. INDIRECT EXPENSES FOR CENTRALIZED SERVICES AND ADMINISTRATIVE OVERHEAD ARE ALLOCATED AMONG THE PROGRAMS, FUNCTIONS AND SEGMENTS USING A FULL COST ALLOCATION APPROACH AND ARE PRESENTED SEPARATELY TO ENHANCE COMPARABILITY OF DIRECT EXPENSES BETWEEN GOVERNMENTS THAT ALLOCATE DIRECT EXPENSES AND THOSE THAT DO NOT. PROGRAM REVENUES INCLUDE CHARGES PAID BY THE RECIPIENTS OF THE GOODS OR SERVICES OFFERED BY THE PROGRAMS AND GRANTS AND CONTRIBUTIONS THAT ARE RESTRICTED TO MEETING THE OPERATIONAL OR CAPITAL REQUIREMENTS OF A PARTICULAR PROGRAM. REVENUES NOT CLASSIFIED AS PROGRAM REVENUES ARE PRESENTED AS GENERAL REVENUES. THE COMPARISON OF PROGRAM REVENUES AND EXPENSES IDENTIFIES THE EXTENT TO WHICH EACH PROGRAM OR BUSINESS SEGMENT IS SELF-FINANCING OR DRAWS FROM THE GENERAL REVENUES OF THE GOVERNMENT.

NET ASSETS SHOULD BE REPORTED AS RESTRICTED WHEN CONSTRAINTS PLACED ON NET ASSETS ARE EITHER EXTERNALLY IMPOSED BY CREDITORS (SUCH AS THROUGH DEBT COVENANTS), GRANTORS, CONTRIBUTORS, OR LAWS OR REGULATIONS OF OTHER GOVERNMENTS OR IMPOSED BY LAW THROUGH CONSTITUTIONAL PROVISIONS OR ENABLING LEGISLATION.

SEPARATE FINANCIAL STATEMENTS ARE PROVIDED FOR GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS. MAJOR INDIVIDUAL GOVERNMENTAL FUNDS AND MAJOR INDIVIDUAL ENTERPRISE FUNDS ARE REPORTED AS SEPARATE COLUMNS IN THE FUND FINANCIAL STATEMENTS.

#### FUND FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS REPORT DETAILED INFORMATION ABOUT THE GOVERNMENT. THE FOCUS OF GOVERNMENTAL AND ENTERPRISE FUND FINANCIAL STATEMENTS IS ON MAJOR FUNDS RATHER THAN REPORTING FUNDS BY TYPE. THE GENERAL FUND IS PRESENTED IN A SEPARATE COLUMN. ALL OTHER FUNDS ARE AGGREGATED AND PRESENTED IN A SINGLE COLUMN.

#### C. GOVERNMENTAL FUNDS

THE ACCOUNTING AND FINANCIAL REPORTING TREATMENT APPLIED TO A FUND IS DETERMINED BY ITS MEASUREMENT FOCUS. ALL GOVERNMENTAL FUNDS ARE ACCOUNTED FOR USING A CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS. WITH THIS MEASUREMENT FOCUS, ONLY CURRENT ASSETS AND CURRENT LIABILITIES GENERALLY ARE INCLUDED ON THE BALANCE SHEET. OPERATING STATEMENTS OF THESE FUNDS PRESENT INCREASES (I.E., REVENUES AND OTHER FINANCING SOURCES) AND DECREASES (I.E., EXPENDITURES AND OTHER FINANCING USES) IN NET CURRENT ASSETS.

THE MODIFIED ACCRUAL BASIS OF ACCOUNTING IS USED BY ALL GOVERNMENTAL FUND TYPES. UNDER THE MODIFIED ACCRUAL BASIS OF ACCOUNTING, REVENUES ARE RECOGNIZED WHEN SUSCEPTIBLE TO ACCRUAL (I.E., WHEN THEY BECOME BOTH MEASURABLE AND AVAILABLE). "MEASURABLE" MEANS THE AMOUNT OF THE TRANSACTION CAN BE DETERMINED AND "AVAILABLE" MEANS COLLECTIBLE WITHIN THE CURRENT PERIOD OR SOON ENOUGH THEREAFTER TO BE USED TO PAY LIABILITIES OF THE CURRENT PERIOD. THE GOVERNMENT CONSIDERS PROPERTY TAXES AS AVAILABLE IF THEY ARE COLLECTED WITHIN 60 DAYS AFTER YEAR END. EXPENDITURES ARE RECORDED WHEN THE RELATED FUND LIABILITY IS INCURRED. PRINCIPAL AND INTEREST ON GENERAL LONG-TERM DEBT ARE RECORDED AS FUND LIABILITIES WHEN DUE OR WHEN AMOUNTS HAVE BEEN ACCUMULATED IN THE DEBT SERVICE FUND FOR PAYMENTS TO BE MADE EARLY IN THE FOLLOWING YEAR.

THOSE REVENUES SUSCEPTIBLE TO ACCRUAL ARE PROPERTY TAXES, FRANCHISE TAXES, SPECIAL ASSESSMENTS, LICENSES, INTEREST REVENUE AND CHARGES FOR SERVICES. SALES TAXES COLLECTED AND HELD BY THE STATE AT YEAR END ON BEHALF OF THE GOVERNMENT ALSO ARE RECOGNIZED AS REVENUE. FINES AND PERMITS ARE NOT SUSCEPTIBLE TO ACCRUAL BECAUSE GENERALLY THEY ARE NOT MEASURABLE UNTIL RECEIVED IN CASH.

DEFERRED REVENUES ARISE WHEN A POTENTIAL REVENUE DOES NOT MEET BOTH THE "MEASURABLE" AND "AVAILABLE" CRITERIA FOR RECOGNITION IN THE CURRENT PERIOD. DEFERRED REVENUES ALSO ARISE WHEN RESOURCES ARE RECEIVED BY THE GOVERNMENT BEFORE IT HAS A LEGAL CLAIM TO THEM, AS WHEN GRANT MONIES ARE RECEIVED PRIOR TO THE INCURRENCE OF QUALIFYING EXPENDITURES. IN SUBSEQUENT PERIODS, WHEN BOTH REVENUE RECOGNITION CRITERIA ARE MET, OR WHEN THE GOVERNMENT HAS A LEGAL CLAIM TO THE RESOURCES, THE LIABILITY FOR DEFERRED REVENUE IS REMOVED FROM THE COMBINED BALANCE SHEET AND REVENUE IS RECOGNIZED.

#### PROPRIETARY FUNDS

ALL PROPRIETARY FUNDS ARE ACCOUNTED FOR ON A FLOW OF ECONOMIC RESOURCES MEASUREMENT FOCUS. WITH THIS MEASUREMENT FOCUS, ALL ASSETS AND ALL LIABILITIES ASSOCIATED WITH THE OPERATION OF THESE FUNDS ARE INCLUDED ON THE BALANCE SHEET. PROPRIETARY FUND-TYPE OPERATING STATEMENTS PRESENT INCREASES (E.G., REVENUES) AND DECREASES (E.G., EXPENSES) IN NET TOTAL ASSETS.

THE ACCRUAL BASIS OF ACCOUNTING IS UTILIZED BY PROPRIETARY FUND TYPES. UNDER THIS METHOD, REVENUES ARE RECORDED WHEN EARNED AND EXPENSES ARE RECORDED AT THE TIME LIABILITIES ARE INCURRED. THE GOVERNMENT HAS ELECTED TO FOLLOW THE GASB PRONOUNCEMENTS ISSUED AFTER NOVEMBER 30, 1989, AS THEY APPLY TO PROPRIETARY FUND TYPES.

PROPRIETARY FUNDS DISTINGUISH OPERATING REVENUES AND EXPENSES FROM NON-OPERATING ITEMS. OPERATING REVENUES AND EXPENSES GENERALLY RESULT FROM PROVIDING SERVICES AND PRODUCING AND DELIVERING GOODS IN CONNECTION WITH A PROPRIETARY FUND'S PRINCIPAL ONGOING OPERATIONS. THE PRINCIPAL OPERATING REVENUES OF THE CITY'S ENTERPRISE FUNDS ARE CHARGES TO CUSTOMERS FOR SALES AND SERVICES, ADMINISTRATIVE EXPENSES, AND DEPRECIATION ON CAPITAL ASSETS. ALL REVENUES AND EXPENSES NOT MEETING THIS DEFINITION ARE REPORTED AS NON-OPERATING REVENUES AND EXPENSES.

AS A GENERAL RULE THE EFFECT OF INTERFUND ACTIVITY HAS BEEN ELIMINATED FROM THE GOVERNMENT-WIDE FINANCIAL STATEMENTS. EXCEPTIONS TO THIS GENERAL RULE ARE PAYMENTS-IN-LIEU OF TAXES AND OTHER CHARGES BETWEEN THE GOVERNMENT'S VARIOUS DEPARTMENTS. ELIMINATION OF THESE CHARGES WOULD DISTORT THE DIRECT COSTS AND PROGRAM REVENUES REPORTED FOR THE VARIOUS FUNCTIONS CONCERNED.

THE GOVERNMENT REPORTS THE FOLLOWING MAJOR PROPRIETARY FUNDS:

PUBLIC UTILITY - THE PUBLIC UTILITY FUND ACCOUNTS FOR THE ACTIVITIES OF THE GOVERNMENT'S ELECTRIC, SEWER, WATER AND WASTE COLLECTION ACTIVITIES AND OPERATIONS.

STORM DRAIN - THE STORM DRAIN FUND ACCOUNTS FOR THE ACTIVITIES OF THE GOVERNMENT AS THEY RELATE TO THE STORM DRAIN SYSTEM, INCLUDING IMPROVEMENTS, EXPENSES AND MAINTENANCE THEREOF.

THESE TWO FUNDS MAKE UP THE PROPRIETARY FUND.

#### D. BUDGETS

BUDGETS ARE ADOPTED ON A BASIS CONSISTENT WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. ANNUAL APPROPRIATED BUDGETS ARE ADOPTED FOR THE GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECT FUNDS. ALL ANNUAL APPROPRIATIONS LAPSE AT FISCAL YEAR END.

ENCUMBRANCES REPRESENT COMMITMENTS RELATED TO UNPERFORMED CONTRACTS FOR GOODS OR SERVICES. ENCUMBRANCE ACCOUNTING IS NOT USED BECAUSE THE GOVERNMENT CANCELS ALL CONTRACTS IN PROGRESS AT YEAR END. NEW CONTRACTS ARE MADE IN THE NEXT BUDGET YEAR FOR THE UNFINISHED PROJECT AFTER REVIEW BY THE GOVERNMENT BODY.

#### E. CASH AND INVESTMENTS

CASH INCLUDES AMOUNTS IN DEMAND DEPOSITS AS WELL AS SHORT-TERM INVESTMENTS WITH A MATURITY DATE WITHIN THREE MONTHS OF THE DATE ACQUIRED BY THE GOVERNMENT. THE STATE MONEY MANAGEMENT ACT AUTHORIZES THE GOVERNMENT TO INVEST IN SPECIFIC TYPES OF INVESTMENTS. THE TYPE OF INVESTMENTS ARE EXPLAINED IN NOTE 4 AND ARE VALUED IN ACCORDANCE WITH GASB STATEMENT 31.

FOR PURPOSES OF THE STATEMENTS OF CASH FLOWS, THE GOVERNMENT CONSIDERS ALL HIGHLY LIQUID INVESTMENTS (INCLUDING RESTRICTED ASSETS) WITH MATURITY OF THREE MONTHS OR LESS WHEN PURCHASED TO BE CASH EQUIVALENTS.

UNRESTRICTED CASH BALANCES OF ALL FUNDS ARE COMBINED TO FORM A POOL OF CASH AND INVESTMENTS WHICH IS MANAGED BY THE CITY TREASURER IN ACCORDANCE WITH THE UTAH MONEY MANAGEMENT ACT. INCOME FROM THE INVESTMENT OF POOLED CASH IS ALLOCATED TO THE GENERAL FUND. RESTRICTED CASH CONSISTS OF THAT PORTION OF POOLED CASH THAT IS RESTRICTED FOR A SPECIFIC USE DUE TO CONSTRAINTS IMPOSED BY EXTERNAL PARTIES OR ENABLING LEGISLATION, OR IS CASH HELD IN TRUST IN COMPLIANCE WITH BOND COVENANT, TERMS AND CONDITIONS. WHEN BOTH RESTRICTED AND UNRESTRICTED SOURCES ARE AVAILABLE FOR USE, IT IS THE GOVERNMENT'S POLICY TO USE RESTRICTED RESOURCES FIRST, THEN UNRESTRICTED RESOURCES AS THEY ARE NEEDED.

#### F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

DURING THE COURSE OF OPERATIONS, NUMEROUS TRANSACTIONS OCCUR BETWEEN INDIVIDUAL FUNDS FOR GOODS PROVIDED OR SERVICES RENDERED. THESE RECEIVABLES AND PAYABLES ARE CLASSIFIED AS "DUE FROM OTHER FUNDS" OR "DUE TO OTHER FUNDS" ON THE BALANCE SHEET.

#### G. INVENTORIES

INVENTORIES ARE VALUED AT COST, WHICH APPROXIMATES MARKET, USING THE FIRST-IN/FIRST-OUT (FIFO) METHOD.

#### H. RESTRICTED ASSETS

ASSETS ARE RESTRICTED BECAUSE OF CONSTRAINTS PLACED ON THE ASSETS USE BY EITHER:

1. EXTERNALLY APPROVED BY CREDITORS;
2. GRANTORS AND/OR CONTRIBUTIONS;
3. LAWS OR REGULATIONS OF OTHER GOVERNMENTS; OR
4. IMPOSED BY LAW THROUGH CONSTITUTION PROVISIONS OR ENABLING LEGISLATION.

THE FOLLOWING IS A SUMMARY OF ASSETS RESTRICTED FOR OTHER PURPOSES.

CEMETERY PERPETUAL CARE	\$286,638
SENIOR CITIZEN CONTRIBUTIONS	31,661
POLICE GRANTS AND CONTRIBUTIONS	101,731
OLYMPIC LEGACY	253,103
OTHER	<u>90,688</u>
	<u>\$763,821</u>

## I. CAPITAL ASSETS

CAPITAL ASSETS, WHICH INCLUDE PROPERTY, PLANT, EQUIPMENT, AND INFRASTRUCTURE ASSETS (E.G., ROADS, BRIDGES, SIDEWALKS, AND SIMILAR ITEMS), ARE REPORTED IN THE APPLICABLE GOVERNMENTAL OR BUSINESS-TYPE ACTIVITIES COLUMNS IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS. CAPITAL ASSETS ARE DEFINED BY THE GOVERNMENT AS ASSETS WITH AN INITIAL, INDIVIDUAL COST OF MORE THAN \$5,000 (AMOUNT NOT ROUNDED) AND AN ESTIMATED USEFUL LIFE IN EXCESS OF TWO YEARS. ALL PURCHASED CAPITAL ASSETS ARE VALUED AT COST WHERE HISTORICAL RECORDS ARE AVAILABLE AND AT AN ESTIMATED HISTORICAL COST WHERE NO HISTORICAL RECORDS EXIST. DONATED CAPITAL ASSETS ARE VALUED AT THEIR ESTIMATED FAIR MARKET VALUE ON THE DATE RECEIVED.

THE COSTS OF NORMAL MAINTENANCE AND REPAIRS THAT DO NOT ADD TO THE VALUE OF THE ASSET OR MATERIALLY EXTEND ASSET LIVES ARE NOT CAPITALIZED. IMPROVEMENTS ARE CAPITALIZED AND DEPRECIATED OVER THE REMAINING USEFUL LIVES OF THE RELATED CAPITAL ASSETS, AS APPLICABLE.

MAJOR OUTLAYS FOR CAPITAL ASSETS AND IMPROVEMENTS ARE CAPITALIZED AS PROJECTS ARE CONSTRUCTED. INTEREST INCURRED DURING THE CONSTRUCTION PHASE OF CAPITAL ASSETS OF BUSINESS-TYPE ACTIVITIES IS INCLUDED AS PART OF THE CAPITALIZED VALUE OF THE ASSETS CONSTRUCTED. THE AMOUNT OF INTEREST TO BE CAPITALIZED IS CALCULATED BY OFFSETTING INTEREST EXPENSE INCURRED FROM DATE OF THE BORROWING UNTIL COMPLETION OF THE PROJECT WITH INTEREST EARNED ON INVESTED PROCEEDS OVER THE SAME PERIOD.

PROPERTY, PLANT AND EQUIPMENT OF THE PRIMARY GOVERNMENT, AS WELL AS THE COMPONENT UNITS, IS DEPRECIATED USING THE STRAIGHT LINE METHOD OVER THE FOLLOWING ESTIMATED USEFUL LIVES.

ASSETS	YEARS
BUILDINGS	30
IMPROVEMENTS	20-40
EQUIPMENT	3-20
VEHICLES	3

## J. COMPENSATED ABSENCES

VESTED OR ACCUMULATED VACATION LEAVE AND SICK PAY BENEFITS THAT ARE EXPECTED TO BE LIQUIDATED WITH EXPENDABLE AVAILABLE FINANCIAL RESOURCES ARE REPORTED AS AN EXPENDITURE AND A FUND LIABILITY OF THE GOVERNMENTAL FUND THAT WILL PAY IT IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS. THE VESTED OR ACCUMULATED BENEFITS ARE REPORTED AS REQUIRED BY GASB INTERPRETATION #6, RECOGNITION AND MEASUREMENT OF CERTAIN LIABILITIES AND EXPENDITURES IN GOVERNMENTAL FUND FINANCIAL STATEMENTS IN THE FUND FINANCIAL STATEMENTS. VESTED OR ACCUMULATED VACATION LEAVE AND SICK PAY BENEFITS OF PROPRIETARY FUNDS ARE RECORDED AS AN EXPENSE AND LIABILITY OF THOSE FUNDS AS THE BENEFITS ACCRUE TO EMPLOYEES. COMPENSATED ABSENCES ARE REPORTED IN THE GOVERNMENTAL FUNDS ONLY IF THEY HAVE MATURED (I.E., UNUSED REIMBURSABLE LEAVE STILL OUTSTANDING FOLLOWING AN EMPLOYEE'S RESIGNATION OR RETIREMENT).

## K. LONG-TERM OBLIGATIONS

IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS, AND PROPRIETARY FUND TYPES IN THE FUND FINANCIAL STATEMENTS, LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS ARE REPORTED AS LIABILITIES IN THE APPLICABLE GOVERNMENTAL ACTIVITIES, BUSINESS-TYPE ACTIVITIES, OR PROPRIETARY FUND TYPE STATEMENT OF NET ASSETS. BOND PREMIUMS AND DISCOUNTS, AS WELL AS ISSUANCE COSTS, ARE DEFERRED AND AMORTIZED OVER THE LIFE OF THE BONDS USING THE EFFECTIVE INTEREST METHOD. BONDS PAYABLE ARE REPORTED NET OF THE APPLICABLE BOND PREMIUM OR DISCOUNT. BOND ISSUANCE COSTS ARE REPORTED AS DEFERRED CHARGES AND AMORTIZED OVER THE TERM OF THE RELATED DEBT.

IN THE FUND FINANCIAL STATEMENTS, GOVERNMENTAL FUND TYPES RECOGNIZED BOND PREMIUMS AND DISCOUNTS, AS WELL AS BOND ISSUANCE COSTS, DURING THE CURRENT PERIOD. THE FACE AMOUNT OF DEBT ISSUED IS REPORTED AS OTHER FINANCING SOURCES. PREMIUMS RECEIVED ON DEBT ISSUANCES ARE REPORTED AS OTHER FINANCING SOURCES WHILE DISCOUNTS ON DEBT ISSUANCES ARE REPORTED AS OTHER FINANCING USES. ISSUANCE COSTS, WHETHER OR NOT WITHHELD FROM THE ACTUAL DEBT PROCEEDS RECEIVED, ARE REPORTED AS DEBT SERVICE EXPENDITURES.

## L. FUND EQUITY

RESERVES REPRESENT THOSE PORTIONS OF FUND EQUITY NOT APPROPRIABLE FOR EXPENDITURE OR LEGALLY SEGREGATED FOR A SPECIFIC FUTURE USE. DESIGNATED FUND BALANCES REPRESENT TENTATIVE PLANS FOR FUTURE USE OF FINANCIAL RESOURCES.

## M. INTERFUND TRANSACTIONS

INTERFUND SERVICES PROVIDED AND USED ARE ACCOUNTED FOR AS REVENUES, EXPENDITURES OR EXPENSES. TRANSACTIONS THAT CONSTITUTE REIMBURSEMENTS TO A FUND FOR EXPENDITURES/EXPENSES INITIALLY MADE FROM IT THAT ARE PROPERLY APPLICABLE TO ANOTHER FUND, ARE



RECORDED AS EXPENDITURES/EXPENSES IN THE REIMBURSING FUND AND AS REDUCTIONS OF EXPENDITURES/EXPENSES IN THE FUND THAT IS REIMBURSED.

ALL OTHER INTERFUND TRANSACTIONS, EXCEPT QUASI-EXTERNAL TRANSACTIONS AND REIMBURSEMENTS, ARE REPORTED AS TRANSFERS. ALL OTHER INTERFUND TRANSFERS ARE REPORTED AS NON-OPERATING TRANSFERS.

#### N. ALLOWANCE FOR BAD DEBTS

AN ALLOWANCE FOR BAD DEBTS OF \$91,000 HAS BEEN DEDUCTED FROM THE TOTAL ACCOUNTS AND NOTES RECEIVABLE OF THE ENTERPRISE FUND TO ARRIVE AT THE AMOUNT SHOWN ON THE COMBINED BALANCE SHEET.

#### NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

FOLLOWING THE GOVERNMENTAL FUNDS BALANCE SHEET IS A RECONCILIATION BETWEEN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS AND NET ASSETS - GOVERNMENTAL ACTIVITIES AS REPORTED IN THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS. ONE ELEMENT OF THAT RECONCILIATION EXPLAINS THAT "LONG-TERM LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS." THE DETAILS OF THE DIFFERENCE ARE AS FOLLOWS:

BONDS PAYABLE	\$7,142,477
INTEREST PAYABLE	42,811
CAPITAL LEASES	7,238
NOTES PAYABLE	298,000
COMPENSATED ABSENCES	<u>246,978</u>
NET ADJUSTMENT TO REDUCE FUND BALANCE - TOTAL GOVERNMENTAL FUNDS TO ARRIVE AT NET ASSETS - GOVERNMENTAL ACTIVITIES	<u>\$7,737,504</u>

#### NOTE 3. LEGAL COMPLIANCE - BUDGET

ANNUAL BUDGETS ARE PREPARED AND ADOPTED BY THE GOVERNING BODY ON OR BEFORE JUNE 22ND FOR THE FOLLOWING FISCAL YEAR WHICH BEGINS ON JULY 1. BUDGETS MAY BE INCREASED BY RESOLUTION OF THE GOVERNMENT AT ANY TIME DURING THE YEAR, FOLLOWING A PUBLIC HEARING. BUDGETS ARE ADOPTED AT SUBDEPARTMENT LEVELS; HOWEVER, BUDGET AMENDMENTS BY RESOLUTION ARE GENERALLY REQUIRED ONLY IF THE DEPARTMENT DESIRES TO EXCEED ITS TOTAL BUDGET APPROPRIATION.

UTAH STATE LAW PROHIBITS AN APPROPRIATION OF THE UNRESERVED FUND BALANCE IN THE GENERAL FUND UNTIL IT EXCEEDS 5% OF TOTAL REVENUES OF THE GENERAL FUND. THE LAW PROHIBITS THE ACCUMULATION OF A FUND BALANCE IN THE GENERAL FUND IN EXCESS OF 18% OF THE TOTAL ESTIMATED REVENUE OF THE GENERAL FUND. UNTIL THE UNRESERVED FUND BALANCE IS GREATER THAN THE 18% OF TOTAL ESTIMATED REVENUE, IT MAY BE USED ONLY TO PROVIDE WORKING CAPITAL UNTIL TAX REVENUE IS RECEIVED, MEETING EMERGENCY EXPENDITURES, AND COVER UNANTICIPATED DEFICITS AS LONG AS THE FUND BALANCE IS GREATER THAN 5% OF TOTAL REVENUES. FUND BALANCES MAY BE APPROPRIATED (RESERVED) FOR SPECIFIC PURPOSES.

#### SUMMARY OF THE GOVERNMENT'S BUDGET PROCEDURES AND CALENDAR

1. THE STATE OF UTAH REQUIRES FORMAL BUDGETARY INTEGRATION AS A MANAGEMENT CONTROL DEVICE DURING THE YEAR FOR THE GENERAL, SPECIAL REVENUE, DEBT SERVICE, AND CAPITAL PROJECT FUNDS.<sup>1</sup> THE GOVERNMENT PREPARES BUDGETS FOR ENTERPRISE<sup>2</sup> AND INTERNAL SERVICE FUNDS, BUT IS NOT REQUIRED TO REPORT ON SUCH BUDGETS. (AS SUCH NO BUDGET TO ACTUAL STATEMENTS ARE PRESENTED IN THE FINANCIAL STATEMENTS).
2. THE GOVERNMENT'S BUDGET IS A FINANCIAL PLAN OF ALL ESTIMATED REVENUES AND ALL APPROPRIATIONS FOR EXPENDITURES. REVENUES AND EXPENDITURES MUST BALANCE.<sup>3</sup>
3. THE BUDGET IS PREPARED SOME TIME BETWEEN THE 1ST OF MARCH AND THE 1ST OF MAY.
4. A TENTATIVE BUDGET IS PRESENTED BY THE MAYOR TO THE GOVERNING BODY BY THE FIRST REGULARLY SCHEDULED COUNCIL MEETING IN MAY. THE TENTATIVE BUDGET IS REVIEWED AND TENTATIVELY ADOPTED BY THE GOVERNING BODY NO LATER THAN JUNE 22ND.<sup>4</sup>

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<sup>1</sup>UTAH CODE SECTION 10-6-109

<sup>2</sup>UTAH CODE SECTION 10-6-135

<sup>3</sup>UTAH CODE SECTION 10-6-110

<sup>4</sup>UTAH CODE SECTION 10-6-111

5. THE TENTATIVE BUDGET IS PUBLIC RECORD AND IS AVAILABLE FOR INSPECTION AT THE GOVERNMENT'S MAIN OFFICE FOR AT LEAST TEN DAYS PRIOR TO ADOPTION OF THE FINAL BUDGET.<sup>5</sup>
6. NOTICE OF PUBLIC HEARING ON ADOPTION OF THE FINAL BUDGET IS PUBLISHED SEVEN DAYS PRIOR TO THE PUBLIC HEARING.<sup>6</sup>
7. THE PUBLIC HEARING ON THE TENTATIVELY ADOPTED BUDGET IS HELD NO LATER THAN JUNE 14TH.<sup>7</sup> FINAL ADJUSTMENTS ARE MADE TO THE TENTATIVE BUDGET BY THE GOVERNING BODY AFTER THE PUBLIC HEARING.<sup>8</sup>
8. THE FINAL BUDGET IS ADOPTED BY ORDINANCE BEFORE JUNE 22ND AND A COPY OF THE BUDGET CERTIFIED BY THE BUDGET OFFICER IS FILED WITH THE STATE AUDITOR WITHIN THIRTY DAYS OF ADOPTION.<sup>9</sup>
9. IN CONNECTION WITH BUDGET ADOPTION:
  - a. AN ANNUAL TAX ORDINANCE ESTABLISHING THE TAX RATE IS ADOPTED BEFORE JUNE 22ND.<sup>10</sup>
  - b. THE CITY RECORDER IS TO CERTIFY THE TAX RATE TO THE COUNTY AUDITOR BEFORE JUNE 22ND.<sup>11</sup>
10. BUDGETS FOR THE GENERAL, SPECIAL REVENUE, DEBT SERVICE, AND CAPITAL PROJECTS FUNDS ARE ADOPTED ON A BASIS CONSISTENT WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP).

#### SUMMARY OF ACTION REQUIRED FOR BUDGET CHANGES

TRANSFERS OF UNEXPENDED APPROPRIATION FROM ONE EXPENDITURE ACCOUNT TO ANOTHER IN THE SAME DEPARTMENT CAN BE MADE WITH THE CONSENT OF THE BUDGET OFFICER.<sup>12</sup>

THE GOVERNING BODY MAY, BY RESOLUTION, TRANSFER UNEXPENDED APPROPRIATIONS FROM ONE DEPARTMENT TO ANOTHER DEPARTMENT WITHIN THE SAME FUND.<sup>13</sup>

THE BUDGET APPROPRIATION FOR ANY DEPARTMENT MAY BE REDUCED BY RESOLUTION.<sup>14</sup>

FINAL BUDGETS<sup>15</sup> MAY BE INCREASED BY RESOLUTION AFTER THE PUBLIC HEARING.<sup>16</sup> FINAL AMENDMENTS IN THE CURRENT YEAR BUDGETS SHALL BE ADOPTED BY THE GOVERNING BODY BY THE LAST DAY OF THE FISCAL YEAR.<sup>17</sup>

BUDGETS OF ENTERPRISE FUNDS MAY BE INCREASED BY RESOLUTION OF THE GOVERNING BODY (PUBLIC HEARING NOT REQUIRED).<sup>18</sup>

ALL UNEXPENDED APPROPRIATIONS SHALL LAPSE AT THE END OF THE BUDGET YEAR.<sup>19</sup>

CITY OFFICERS SHALL NOT MAKE OR INCUR EXPENDITURES IN EXCESS OF TOTAL APPROPRIATIONS FOR ANY DEPARTMENT IN THE BUDGET AS ADOPTED OR AS SUBSEQUENTLY AMENDED.<sup>20</sup>

BUDGETED AMOUNTS ARE AS ORIGINALLY ADOPTED, OR AS AMENDED BY THE CITY COUNCIL DURING THE YEAR ENDED JUNE 30, 2005. INDIVIDUAL AMENDMENTS WERE NOT MATERIAL IN RELATION TO THE ORIGINAL APPROPRIATIONS WHICH WERE AMENDED.

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<sup>5</sup>UTAH CODE SECTION 10-6-112

<sup>6</sup>UTAH CODE SECTION 10-6-113

<sup>7</sup>UTAH CODE SECTION 10-6-114

<sup>8</sup>UTAH CODE SECTION 10-6-115

<sup>9</sup>UTAH CODE SECTION 10-6-118

<sup>10</sup>UTAH CODE SECTION 10-6-113

<sup>11</sup>TAXES OTHER THAN PROPERTY TAX REQUIRE LEGISLATIVE ENACTMENT, BY CONTINUING STATUTES OR ORDINANCES

<sup>12</sup>UTAH CODE SECTION 10-6-124

<sup>13</sup>UTAH CODE SECTION 10-6-125

<sup>14</sup>UTAH CODE SECTION 10-6-126

<sup>15</sup>UTAH CODE SECTION 10-6-109

<sup>16</sup>UTAH CODE SECTION 10-6-113 AND 10-6-114

<sup>17</sup>UTAH CODE SECTION 10-6-128

<sup>18</sup>UTAH CODE SECTION 10-6-135

<sup>19</sup>UTAH CODE SECTION 10-6-130

<sup>20</sup>UTAH CODE SECTION 10-6-10-6-123

#### NOTE 4. DEPOSITS AND INVESTMENTS

THE GOVERNMENT MAINTAINS A CASH AND INVESTMENT POOL THAT IS AVAILABLE FOR USE BY ALL FUNDS. EACH FUND TYPE'S PORTION OF THIS POOL IS DISPLAYED ON THE COMBINED BALANCE SHEET AS "CASH AND CASH EQUIVALENTS."

**DEPOSITS.** AT YEAR-END, THE CARRYING AMOUNT OF THE GOVERNMENT'S DEPOSITS WAS \$166,034 AND THE BANK BALANCE WAS \$645,507. OF THE BANK BALANCE, \$100,000 WAS COVERED BY FEDERAL DEPOSITORY INSURANCE AND THE REMAINDER WAS UNINSURED AND NOT COLLATERALIZED. UTAH STATE STATUTES DO NOT REQUIRE DEPOSITS TO BE COLLATERALIZED. HOWEVER, THE STATE COMMISSIONER OF FINANCIAL INSTITUTIONS MONITORS FINANCIAL INSTITUTIONS MONTHLY AND ESTABLISHES LIMITS FOR DEPOSIT OF PUBLIC MONEY AT INDIVIDUAL FINANCIAL INSTITUTIONS AND THE CITY FOLLOWS THESE RECOMMENDATIONS.

**INVESTMENTS.** STATUTES AUTHORIZE THE GOVERNMENT TO INVEST IN OBLIGATIONS OF THE U.S. TREASURY, AGENCIES, AND INSTRUMENTALITIES, COMMERCIAL PAPER RATED A-1 BY STANDARD & POOR'S CORPORATION OR P-1 BY MOODY'S COMMERCIAL PAPER RECORD, BANKERS' ACCEPTANCES, REPURCHASE AGREEMENTS, AND THE UTAH PUBLIC TREASURER'S INVESTMENT FUND (UPTIF), WHICH IS CONTROLLED BY THE STATE OF UTAH MONEY MANAGEMENT ACT. THE AMOUNTS RECORDED APPROXIMATES FAIR VALUE AT JUNE 30, 2005.

THE GOVERNMENT'S INVESTMENT BALANCE AT JUNE 30, 2005 WERE AS FOLLOWS:

<u>INVESTMENT TYPE</u>	<u>FAIR VALUE</u>	<u>MATURITY</u>	<u>RATING</u>
REPURCHASE AGREEMENTS	\$1,297,117	DAILY	N/A
U.S. TREASURIES	302,687	VARIOUS	AAA
UPTIF	<u>4,337,093</u>	N/A	NOT RATED
TOTAL	<u>\$5,936,897</u>		

RECONCILIATION OF DEPOSITS AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:

DEPOSITS	\$ 166,034
INVESTMENTS	5,936,897
CASH ON HAND	<u>2,050</u>
CASH AND CASH EQUIVALENTS	<u>\$6,104,981</u>

THE GOVERNMENT DOES NOT HAVE A FORMAL INVESTMENT POLICY. THE GOVERNMENT, HOWEVER, INVESTS THE MAJORITY OF THE EXCESS FUNDS, OTHER THAN THE FUNDS HELD BY THE BOND TRUSTEE, IN THE UPTIF. THE UPTIF PERMITS THE GOVERNMENT TO WITHDRAW FUNDS ONE DAY AFTER NOTIFYING THE UPTIF OF THE WITHDRAWAL.

FOR AN INVESTMENT, THE CUSTODIAL RISK IS THE RISK THAT IN THE EVENT OF THE FAILURE OF THE COUNTERPARTY, THE GOVERNMENT WILL NOT BE ABLE TO RECOVER THE VALUE OF ITS INVESTMENTS OR COLLATERAL SECURITIES THAT ARE IN THE POSSESSION OF AN OUTSIDE PARTY. THE GOVERNMENT'S \$1,297,117 INVESTMENT IN REPURCHASE AGREEMENTS ARE UNINSURED AND UNREGISTERED INVESTMENTS FOR WHICH THE SECURITIES ARE HELD BY THE COUNTERPARTY. THE GOVERNMENT'S SWEEP ACCOUNT IS THE REPURCHASE AGREEMENTS STATED ABOVE. THE GOVERNMENT HAS NO POLICY ON CUSTODIAL CREDIT RISK.

THE UTAH PUBLIC TREASURER'S INVESTMENT FUND (UPTIF) IS AN EXTERNAL DEPOSIT AND INVESTMENT POOL WHEREIN GOVERNMENTAL ENTITIES ARE ABLE TO POOL THE MONIES FROM SEVERAL ENTITIES TO IMPROVE INVESTMENT EFFICIENCY AND YIELD. THESE MONIES ARE INVESTED PRIMARILY IN MONEY MARKET SECURITIES AND CONTAIN NO WITHDRAWAL RESTRICTIONS. AS SUCH, THE MONIES INVESTED IN THIS FUND ARE NOT INSURED AND ARE SUBJECT TO THE SAME MARKET RISKS AS ANY SIMILAR INVESTMENT IN MONEY MARKET FUNDS. THE FUND INVESTMENTS MUST COMPLY WITH THE PROVISIONS OF THE UTAH MONEY MANAGEMENT ACT. THE FUND IS NOT SEC REGISTERED. THE FAIR VALUE OF THE GOVERNMENT'S POSITION IN THE FUND IS THE SAME AS THE VALUE OF FUND SHARES.

#### NOTE 5. PROPERTY TAX

PROPERTY TAXES ARE ATTACHED AS AN ENFORCEABLE LIEN ON PROPERTY AS OF JANUARY 1. TAXES ARE LEVIED ON JUNE 22 FOR THE NEXT FISCAL YEAR BEGINNING JULY 1 AND ARE DUE NOVEMBER 30. CITY PROPERTY TAX REVENUES ARE NOT RECOGNIZED WHEN LEVIED, BECAUSE THEY ARE NOT EXPECTED TO BE COLLECTED WITHIN 60 DAYS AFTER THE END OF THE CURRENT YEAR.

THE GOVERNMENT IS PERMITTED BY THE STATE TO LEVY TAXES UP TO \$7.00 PER \$1,000 OF TAXABLE VALUATION FOR GENERAL GOVERNMENTAL SERVICES OTHER THAN THE PAYMENT OF PRINCIPAL AND INTEREST ON LONG-TERM DEBT AND IN UNLIMITED AMOUNTS FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON LONG-TERM DEBT. THE COMBINED TAX RATE TO FINANCE GENERAL GOVERNMENTAL SERVICES OTHER THAN THE PAYMENT OF PRINCIPAL AND INTEREST ON LONG-TERM DEBT, FOR THE YEAR ENDED JUNE 30, 2005, WAS \$1.40 PER \$1,000 WHICH MEANS THAT THE GOVERNMENT HAS A TAX MARGIN OF \$5.60 PER \$1,000 AND COULD RAISE UP TO \$3,018,195 ADDITIONAL REVENUE PER YEAR FROM THE PRESENT TAXABLE VALUATION OF \$538,963,363 BEFORE THE LIMIT IS REACHED.

# **NOTE 6. CAPITAL ASSETS**

CAPITAL ASSET ACTIVITY FOR THE YEAR ENDED JUNE 30, 2005 WAS AS FOLLOWS:

	BEGINNING BALANCE	INCREASE	DECREASES	ENDING BALANCE
<b>GOVERNMENTAL ACTIVITIES:</b>				
CAPITAL ASSETS, NOT BEING DEPRECIATED:				
LAND	\$ 3,884,943	\$ 945,662	\$ —	\$ 4,830,605
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>3,884,943</u>	<u>945,662</u>	<u>\$ —</u>	<u>4,830,605</u>
CAPITAL ASSETS, BEING DEPRECIATED:				
BUILDINGS	7,636,645	—	—	7,636,645
IMPROVEMENTS OTHER THAN BUILDINGS, INCLUDING INFRASTRUCTURE	23,142,077	1,542,717	(28,467)	24,656,327
EQUIPMENT	<u>7,282,433</u>	<u>922,214</u>	<u>(453,468)</u>	<u>7,751,179</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>38,061,155</u>	<u>2,464,931</u>	<u>(481,935)</u>	<u>40,044,151</u>
LESS ACCUMULATED DEPRECIATION FOR:				
BUILDINGS	(2,280,404)	(254,783)	—	(2,535,187)
IMPROVEMENTS OTHER BUILDINGS, INCLUDING INFRASTRUCTURE	(7,661,254)	(1,155,751)	25,465	(8,791,540)
EQUIPMENT	<u>(4,171,233)</u>	<u>(893,737)</u>	<u>403,228</u>	<u>(4,661,742)</u>
TOTAL ACCUMULATED DEPRECIATION	<u>(14,112,891)</u>	<u>(2,304,271)</u>	<u>428,693</u>	<u>(15,988,469)</u>
TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET	<u>23,948,264</u>	<u>160,660</u>	<u>(53,242)</u>	<u>24,055,682</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$27,833,207</u>	<u>\$1,106,322</u>	<u>\$ (53,242)</u>	<u>\$28,886,287</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
CAPITAL ASSETS, NOT BEING DEPRECIATED:				
LAND	\$ 1,142,450	\$ —	\$ —	\$ 1,142,450
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED CAPITAL	<u>1,142,450</u>	<u>—</u>	<u>—</u>	<u>1,142,450</u>
ASSETS, BEING DEPRECIATED:				
BUILDINGS	11,313,342	—	—	11,313,342
IMPROVEMENTS OTHER THAN BUILDINGS	31,076,230	365,109	(25,883)	31,415,456
EQUIPMENT	<u>569,690</u>	<u>21,421</u>	<u>(70,738)</u>	<u>520,373</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>42,959,262</u>	<u>386,530</u>	<u>(96,621)</u>	<u>43,249,171</u>
LESS ACCUMULATED DEPRECIATION FOR:				
BUILDINGS	(7,447,560)	(446,141)	—	(7,893,701)
IMPROVEMENTS OTHER BUILDINGS	(13,422,171)	(1,088,097)	25,713	(14,484,555)
EQUIPMENT	<u>(470,653)</u>	<u>(28,471)</u>	<u>69,422</u>	<u>(429,702)</u>
TOTAL ACCUMULATED DEPRECIATION	<u>(21,340,384)</u>	<u>(1,562,709)</u>	<u>95,135</u>	<u>(22,807,958)</u>
TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET	<u>21,618,878</u>	<u>(1,176,179)</u>	<u>(1,486)</u>	<u>20,441,213</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$22,761,328</u>	<u>\$ (1,176,179)</u>	<u>\$ (1,486)</u>	<u>\$21,583,663</u>

THE GOVERNMENT HAS NOT EXPERIENCED AN EVENT OR A CHANGE IN CIRCUMSTANCES WHICH WOULD AFFECT THE CARRYING VALUE OF THE GOVERNMENT'S CAPITAL ASSETS.

DEPRECIATION EXPENSE WAS CHARGED TO FUNCTIONS/DEPARTMENTS OF THE PRIMARY GOVERNMENT AS FOLLOWS:

<b>GOVERNMENTAL ACTIVITIES:</b>	
GENERAL GOVERNMENT	\$ 874,750
PUBLIC SAFETY	169,835
PUBLIC WORKS	773,494
CULTURE, PARKS AND RECREATION	<u>486,192</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$2,304,271</u>

(NOTE: DEPRECIATION EXPENSE RELATED TO CAPITAL ASSETS HELD BY THE INTERNAL SERVICE FUND ARE INCLUDED IN GENERAL GOVERNMENT)

**BUSINESS-TYPE ACTIVITIES:**

PUBLIC UTILITIES (ELECTRIC, WATER, SEWER AND WASTE COLLECTION)	\$1,413,656
STORM DRAIN	<u>149,053</u>
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	<u>\$1,562,709</u>

**NOTE 7. MISCELLANEOUS REVENUE**

THE MISCELLANEOUS REVENUE SHOWN ON PAGE 21 OF THE ACCOMPANYING FINANCIAL STATEMENTS IS DETAILED AS FOLLOWS FOR THE MATERIAL ITEMS:

**GENERAL FUND:**

INTEREST INCOME	\$ 122,600
SENIOR CITIZEN REVENUE	273,332
OTHER	<u>84,867</u>
	<u>\$480,819</u>

**SPECIAL ASSESSMENT BONDS #22 FUND:**

SPECIAL ASSESSMENT REVENUE	\$204,779
INTEREST INCOME	<u>49,264</u>
	<u>\$254,043</u>

**OTHER NONMAJOR GOVERNMENTAL FUNDS:**

SPECIAL ASSESSMENT REVENUE	\$62,737
INTEREST INCOME	27,728
RENTAL INCOME	16,837
FEES COLLECTED STUDY	42,845
DONATIONS	4,000
OTHER	<u>46,784</u>
	<u>\$200,931</u>

**NOTE 8. EMPLOYEE RETIREMENT SYSTEM****PLAN DESCRIPTIONS:**

THE GOVERNMENT CONTRIBUTES TO THE LOCAL GOVERNMENTAL CONTRIBUTORY RETIREMENT SYSTEM, LOCAL GOVERNMENTAL NONCONTRIBUTORY RETIREMENT SYSTEM AND PUBLIC SAFETY RETIREMENT SYSTEM FOR EMPLOYERS WITH SOCIAL SECURITY COVERAGE COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLANS AND IRC 401K PLAN (COLLECTIVELY, THE SYSTEMS) ADMINISTERED BY THE UTAH RETIREMENT SYSTEMS. UTAH RETIREMENT SYSTEMS PROVIDE REFUNDS, RETIREMENT BENEFITS, ANNUAL COST OF LIVING ADJUSTMENTS AND DEATH BENEFITS TO PLAN MEMBERS AND BENEFICIARIES IN ACCORDANCE WITH RETIREMENT STATUTES.

THE SYSTEMS ARE ESTABLISHED AND GOVERNED BY THE RESPECTIVE SECTIONS OF CHAPTER 49 OF THE UTAH CODE ANNOTATED 1953 AS AMENDED. THE UTAH STATE RETIREMENT OFFICE ACT IN CHAPTER 49 PROVIDES FOR THE ADMINISTRATION OF THE UTAH RETIREMENT SYSTEMS AND PLANS UNDER THE DIRECTION OF THE UTAH STATE RETIREMENT BOARD WHOSE MEMBERS ARE APPOINTED BY THE GOVERNOR. THE SYSTEMS ISSUE A PUBLICLY AVAILABLE FINANCIAL REPORT THAT INCLUDES FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION FOR THE LOCAL GOVERNMENTAL CONTRIBUTORY RETIREMENT SYSTEM, LOCAL GOVERNMENTAL NONCONTRIBUTORY RETIREMENT SYSTEM, AND THE PUBLIC SAFETY RETIREMENT SYSTEM FOR EMPLOYERS WITH SOCIAL SECURITY COVERAGE. A COPY OF THE REPORT MAY BE OBTAINED BY WRITING TO THE UTAH RETIREMENT SYSTEMS, 560 EAST 200 SOUTH, SALT LAKE CITY, UT 84102 OR BY CALLING 1-800-365-8772.

THE GOVERNMENT PROVIDES PENSION BENEFITS FOR THOSE FULL-TIME EMPLOYEES WHO HAVE EXEMPTED OUT OF THE GOVERNMENT'S DEFINED BENEFIT PLAN DESCRIBED ABOVE THROUGH A DEFINED CONTRIBUTION PLAN, ADMINISTERED BY THE ICMA RETIREMENT CORPORATION (ICMA).

**DEFINED BENEFIT PENSION PLAN:**

FUNDING POLICY. PLAN MEMBERS IN THE LOCAL GOVERNMENTAL CONTRIBUTORY RETIREMENT SYSTEM ARE REQUIRED TO CONTRIBUTE 6.00% OF THEIR ANNUAL COVERED SALARY (ALL OR PART MAY BE PAID BY THE EMPLOYER FOR THE EMPLOYEE) AND THE GOVERNMENT IS REQUIRED TO CONTRIBUTE 7.08% OF THEIR ANNUAL COVERED SALARY. IN THE LOCAL GOVERNMENTAL NONCONTRIBUTORY RETIREMENT SYSTEM THE GOVERNMENT IS REQUIRED TO CONTRIBUTE 11.09% OF THEIR ANNUAL COVERED SALARY. IN THE PUBLIC SAFETY RETIREMENT SYSTEM FOR EMPLOYERS WITH SOCIAL SECURITY COVERAGE THE CONTRIBUTORY GOVERNMENT IS REQUIRED TO CONTRIBUTE 19.08% OF THEIR ANNUAL COVERED SALARY FOR MEMBERS IN THE NONCONTRIBUTORY DIVISION. THE CONTRIBUTION RATES ARE THE ACTUARIALLY DETERMINED RATES. THE CONTRIBUTION REQUIREMENTS OF THE SYSTEMS ARE AUTHORIZED BY STATUTE AND SPECIFIED BY THE BOARD.

THE GOVERNMENT CONTRIBUTIONS TO THE LOCAL GOVERNMENTAL CONTRIBUTORY RETIREMENT SYSTEM FOR THE YEARS ENDED JUNE 30, 2005, 2004 AND 2003 WERE \$10,241; \$8,594 AND \$7,772 RESPECTIVELY. FOR THE NONCONTRIBUTORY RETIREMENT SYSTEM THE CONTRIBUTIONS FOR JUNE 30, 2005, 2004 AND 2003 WERE \$370,128; \$311,511 AND \$269,837 RESPECTIVELY. FOR THE PUBLIC SAFETY RETIREMENT SYSTEM THE CONTRIBUTIONS FOR JUNE 30, 2005, 2004 AND 2003 WERE \$177,483; \$147,779 AND \$126,495 RESPECTIVELY. THE CONTRIBUTIONS WERE EQUAL TO THE REQUIRED CONTRIBUTIONS FOR EACH YEAR.

**DEFINED CONTRIBUTION PLAN:**

IN THE ICMA DEFINED CONTRIBUTION PLAN, BENEFITS DEPEND SOLELY ON AMOUNTS CONTRIBUTED TO THE PLAN PLUS INVESTMENT EARNINGS. EMPLOYEES ARE ELIGIBLE TO PARTICIPATE FROM THE DATE OF EMPLOYMENT. THE EMPLOYER'S OBLIGATION OF 9.65% IS CONTRIBUTED TO THE PLAN MONTHLY. THE CONTRIBUTIONS (AND EARNINGS ALLOCATED TO THE PARTICIPANT'S ACCOUNT) ARE FULLY VESTED FROM THE DATE OF PARTICIPATION IN THE PLAN. THE GOVERNMENT'S TOTAL PAYROLL IN FISCAL YEAR 2005 WAS \$5,895,576. THE GOVERNMENT'S CONTRIBUTIONS WERE CALCULATED USING THE BASE SALARY AMOUNT OF \$381,515, WHICH IS \$43,900 OR 11.09% OF COVERED PAYROLL.

THE 401K PLAN SPONSORED BY THE GOVERNMENT IS AVAILABLE TO ALL ELIGIBLE EMPLOYEES. THE GOVERNMENT IS NOT REQUIRED AND DOES NOT CONTRIBUTE TO THIS PLAN. ALL CONTRIBUTIONS ARE FUNDED BY PLAN PARTICIPANTS. THE CONTRIBUTIONS MADE TO THE PLAN IN THIS FISCAL YEAR WERE \$148,157.

**NOTE 9. DUE TO/FROM OTHER FUNDS AND NOTES RECEIVABLE/PAYABLE BETWEEN FUNDS**

**INTERFUND BALANCES:**

THE COMPOSITION OF INTERFUND BALANCES ARE AS FOLLOWS:

**ADVANCES FROM/TO OTHER FUNDS:**

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	
GENERAL FUND	RDA - WEST FOREST STREET	\$511,620
PUBLIC UTILITY FUND	STORM DRAIN FUND	\$600,000
RDA #2	RDA - WEST FOREST STREET	\$ 18,084
RDA #1	RDA - X-20 ECONOMIC PROJECT	\$108,000
RDA #2	EDA - X-20 ECONOMIC PROJECT	\$ 13,618
RDA #2	EDA - WEST FOREST STREET	\$ 16,202

THE INTERFUND BALANCE BETWEEN THE PUBLIC UTILITY FUND AND THE STORM DRAIN FUND IS TO COVER THE CASH DEFICIT IN THE STORM DRAIN FUND. THE DEFICIT IS BEING REDUCED EACH YEAR FROM STORM DRAIN REVENUE.

THE INTERFUND BALANCES FROM THE GENERAL FUND TO THE RDA - WEST FOREST STREET WAS TO COVER THE COST OF ACQUISITION OF LAND. AS THE LAND IS SOLD THE LOAN WILL BE PAID BACK TO THE GENERAL FUND.

THE INTERFUND BALANCES IN THE REDEVELOPMENT AGENCIES REPRESENTS LOANS BY THE EXISTING REDEVELOPMENT PROJECT AREAS TO NEW REDEVELOPMENT PROJECT AREAS TO COVER THE COSTS TO SET UP THE NEW AREAS. THE LOANS WILL BE PAID BACK AS THE TAX INCREMENT IS COLLECTED.

**INTERFUND TRANSFERS:**

	<u>TRANSFERS IN</u>				<u>TOTAL</u>
	<u>GENERAL FUND</u>	<u>SID #22 FUND</u>	<u>CAPITAL PROJECT AIRPORT FUND</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	
<u>TRANSFERS OUT</u>					
GENERAL FUND	\$ —	\$ —	\$ —	\$476,735	\$ 476,735
ENTERPRISE FUNDS	2,182,667	—	—	103,294	2,285,961
NON-MAJOR GOVERNMENTAL FUNDS	—	<u>31,100</u>	<u>80,948</u>	—	<u>112,048</u>
TOTAL	<u>\$2,182,667</u>	<u>\$31,100</u>	<u>\$80,948</u>	<u>\$580,029</u>	<u>\$2,874,744</u>

THE ENTERPRISE FUNDS TRANSFER TO THE GENERAL FUND REPRESENTS A RATE OF RETURN TO THE GENERAL FUND AND TO BUILD FUND BALANCE IN EMERGENCY FUNDS. THE GENERAL FUNDS' TRANSFER TO THE NON-MAJOR GOVERNMENTAL FUND IS TO COVER A BOND PAYMENT, TO TRANSFER UNCOMPLETED CAPITAL PROJECTS TO A CAPITAL PROJECT FUND, AND TO REPLENISH THE SPECIAL GUARANTY FUND BALANCE.

**NOTE 10. REDEVELOPMENT AGENCY**

THE STATE OF UTAH REQUIRES THE FOLLOWING INFORMATION OF THE REDEVELOPMENT AGENCY TO BE REPORTED IN THE NOTES TO THE FINANCIAL STATEMENTS:

TAX INCREMENT COLLECTED	\$339,968
TAX INCREMENT PAID TO ANOTHER TAXING ENTITY	—
OUTSTANDING BONDS OR LOANS OF THE AGENCY	—
THE ACTUAL AMOUNT EXPENDED FOR:	
ACQUISITION OF PROPERTY	—
SITE IMPROVEMENTS	—
INSTALLATION OF UTILITIES	—
ADMINISTRATIVE COSTS	—

#### NOTE 11. CAPITAL PROJECT FUNDS

THE GOVERNMENT CONTINUED TO RECEIVE FEDERAL AND STATE FUNDS FOR IMPROVEMENTS TO THE GOVERNMENT'S AIRPORT. THE IMPROVEMENTS WILL BE FINANCED BY APPROXIMATELY 95.47% FEDERAL AND STATE FUNDS WITH THE GOVERNMENT FUNDING THE REMAINDER. THE IMPROVEMENTS ARE RUNWAY EXTENSION AND TAXIING AREAS.

THE GOVERNMENT SET UP A CAPITAL PROJECT FUND FOR MAJOR CAPITAL EXPENDITURES. THIS CAPITAL PROJECT FUND WAS FUNDED BY TRANSFERS FROM THE GENERAL FUND. THE PROJECTS ARE SCHEDULED TO BE COMPLETED BY JUNE 30, 2006.

#### NOTE 12. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

THE FOLLOWING INDIVIDUAL FUNDS INCURRED EXPENDITURES IN EXCESS OF BUDGET:

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL OVER BUDGET</u>
ALL GOVERNMENTAL FUND TYPES:			
LIBRARY FUND	\$ 409,000	\$ 419,740	\$ 10,740
CAPITAL PROJECT - AIRPORT	\$1,335,500	\$1,690,576	\$355,076

THE GOVERNMENT EXPENDED GRANT FUNDS THAT WERE RECEIVED OR TO BE REIMBURSED BUT DID NOT AMEND THE BUDGET TO REFLECT THE TOTAL REVENUE WHICH MORE THAN OFFSETS THE EXPENDITURES.

THE FOLLOWING FUNDS HAD A DEFICIT FUND BALANCE AT JUNE 30, 2005:

RDA - WEST FOREST	\$529,704
EDA - X20 PROJECT	\$ 68,000
EDA - WEST FOREST	\$ 15,687

THE ABOVE FUNDS WERE ESTABLISHED TO ACCOUNT FOR THE NEW RDA AND EDA PROJECT AREAS. THE RDA WEST FOREST DEFICIT IS MAINLY THE RESULT OF ACQUIRING LAND. THE DEFICITS WILL BE ELIMINATED AS THE TAX INCREMENT IS COLLECTED AND THE RESALE OF THE LAND PURCHASED.

#### NOTE 13. RISK MANAGEMENT

THE GOVERNMENT IS EXPOSED TO VARIOUS RISKS OF LOSS RELATED TO TORTS; THEFT OF, DAMAGE TO, AND DESTRUCTION OF ASSETS; ERROR AND OMISSIONS; INJURIES TO EMPLOYEES; AND NATURAL DISASTERS. ALL REAL PROPERTY AND ALL VEHICLES, INCLUDING HEAVY EQUIPMENT, ARE INSURED THROUGH COMMERCIAL POLICIES, AND INJURIES TO EMPLOYEES ARE INSURED THROUGH EMPLOYEES' WORKERS COMPENSATION. SETTLED CLAIMS HAVE NOT EXCEEDED THE CITY'S INSURANCE COVERAGE FOR ANY OF THE PAST THREE YEARS. ALL GENERAL LIABILITY IS INSURED THROUGH UTAH RISK MANAGEMENT MUTUAL ASSOCIATION, A RISK POOL TO WHICH THE CITY BELONGS, ALONG WITH 33 OTHER CITIES IN UTAH. PAYMENT OF THE INSURANCE PREMIUM INDEMNIFIES THE CITY FOR CLAIMS THAT EXCEED \$7,500 DEDUCTIBLE PER OCCURRENCE. RIGHTS AND RESPONSIBILITIES OF MEMBER CITIES ARE GOVERNED BY THE INTERLOCAL RISK POOL AGREEMENT.

#### NOTE 14. CAPITAL LEASES

THE GOVERNMENT HAS ENTERED INTO LEASE AGREEMENTS AS LESSEE FOR FINANCING THE ACQUISITION OF PUBLIC SAFETY EQUIPMENT (GENERAL FIXED ASSETS) AND IMPROVEMENTS OTHER THAN BUILDINGS. THE LEASE AGREEMENTS QUALIFY AS CAPITAL LEASES FOR ACCOUNTING PURPOSES (TITLES TRANSFER AT THE END OF THE LEASE TERMS) AND, THEREFORE, HAVE BEEN RECORDED AT THE PRESENT VALUE OF THE FUTURE MINIMUM LEASE PAYMENTS AS OF THE DATE OF THEIR INCEPTION. THE FOLLOWING IS AN ANALYSIS OF ASSETS LEASED UNDER CAPITAL LEASES AS OF JUNE 30, 2005:

	<u>INTERNAL SERVICE</u>	<u>GENERAL CAPITAL ASSETS</u>	<u>PUBLIC UTILITY</u>
IMPROVEMENTS OTHER THAN BUILDINGS	\$ —	\$ —	\$140,185
EQUIPMENT & VEHICLES	544,499	9,847	—
LESS: ACCUMULATED DEPRECIATION	<u>(190,055)</u>	<u>(1,676)</u>	<u>(4,686)</u>
CARRYING VALUE	<u>\$354,444</u>	<u>\$ 8,171</u>	<u>\$135,499</u>

THE CURRENT YEAR'S AMORTIZATION FOR CAPITAL LEASES INCLUDED IN DEPRECIATION EXPENSE IS \$70,620.

THE FOLLOWING IS A SCHEDULE OF THE FUTURE MINIMUM LEASE PAYMENTS UNDER CAPITAL LEASES AND THE PRESENT VALUE OF THE NET MINIMUM LEASE PAYMENTS AT JUNE 30, 2005:

<u>CAPITAL LEASE PAYMENTS</u>			
<u>FISCAL YEAR</u>			
<u>ENDED JUNE 30,</u>	<u>INTERNAL SERVICE</u>	<u>GENERAL</u>	<u>PUBLIC UTILITY</u>
2006	\$ 39,473	\$2,621	\$ 8,398
2007	39,473	2,621	8,398
2008	39,473	2,620	8,398
2009	39,473	—	8,398
2010	—	—	8,398
2011-2015	—	—	41,988
2016-2020	—	—	41,988
2021	—	—	8,397
TOTAL MINIMUM LEASE PAYMENTS	157,892	7,862	134,363
LESS AMOUNT REPRESENTING INTEREST	<u>(17,890)</u>	<u>(624)</u>	<u>(8,922)</u>
PRESENT VALUE OF FUTURE MINIMUM			
LEASE PAYMENTS	<u>\$140,002</u>	<u>\$7,238</u>	<u>\$125,441</u>

THE CHANGES IN CAPITAL LEASES PAYABLE FOR THE YEAR ENDED JUNE 30, 2005 ARE:

	<u>OUTSTANDING</u>			<u>OUTSTANDING</u>
<u>TYPE</u>	<u>JUNE 30, 2004</u>	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>JUNE 30, 2005</u>
INTERNAL SERVICE	\$170,945	\$ —	\$30,943	\$140,002
GENERAL	16,356	9,847	18,985	7,238
PUBLIC UTILITY	<u>132,750</u>	<u>—</u>	<u>7,309</u>	<u>125,441</u>
	<u>\$320,051</u>	<u>\$9,847</u>	<u>\$57,217</u>	<u>\$272,681</u>

#### NOTE 15. LONG-TERM DEBT

**GENERAL OBLIGATION BONDS.** THE GOVERNMENT ISSUES GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR THE ACQUISITION AND CONSTRUCTION OF MAJOR CAPITAL FACILITIES. GENERAL OBLIGATION BONDS ARE DIRECT OBLIGATIONS AND PLEDGE THE FULL FAITH AND CREDIT OF THE GOVERNMENT.

**REVENUE BONDS.** THE GOVERNMENT ISSUES BONDS WHERE THE GOVERNMENT PLEDGES INCOME DERIVED FROM THE ACQUIRED OR CONSTRUCTED ASSETS TO PAY DEBT SERVICE.

**SPECIAL ASSESSMENT BONDS.** THE GOVERNMENT ISSUES SPECIAL ASSESSMENT BONDS TO PROVIDE FUNDS FOR CONSTRUCTION OF CURB AND GUTTER, IRRIGATION PIPE, STREET AND CULINARY WATER IMPROVEMENTS. THE SPECIAL ASSESSMENT BONDS ARE SECURED BY A LIEN ON THE INDIVIDUAL PROPERTIES IMPROVED. THE GOVERNMENT IS REQUIRED TO ESTABLISH A SPECIAL GUARANTEE FUND WHEN SPECIAL ASSESSMENT BONDS ARE ISSUED. THE GUARANTEE FUND CAN BE FUNDED BY AN APPROPRIATION FROM THE GENERAL FUND, A LEVY OF A TAX NOT TO EXCEED .002 PER DOLLAR OF TAXABLE VALUE OF TAXABLE PROPERTY, ISSUE GENERAL OBLIGATION BONDS; OR APPROPRIATION FROM OTHER SOURCES AS DETERMINED BY THE GOVERNING BODY. THE AMOUNT TRANSFERRED TO THE GUARANTEE FUND EACH YEAR MUST EQUAL .002 PER DOLLAR OF TAXABLE VALUE OF TAXABLE PROPERTY. THE TRANSFER TO THE GUARANTEE FUND MUST BE MADE UNTIL THE FUND IS EQUAL TO NOT LESS THAN THE AGGREGATE OF TEN PERCENT (10%) OF THE AMOUNT OF OUTSTANDING SPECIAL ASSESSMENT BONDS ISSUED ON OR AFTER APRIL 23, 1990.

AS OF JUNE 30, 2005, THE REQUIRED BALANCE IN THE GUARANTEE FUND IS \$168,700. THE FUND HAS A BALANCE OF \$173,830.

**DEFEASANCE OF DEBT.** AS OF JUNE 30, 2005, THE GOVERNMENT HAS NO OUTSTANDING BALANCE OF DEFEASED DEBT.



BONDS PAYABLE AT JUNE 30, 2005, ARE COMPRISED OF THE FOLLOWING INDIVIDUAL ISSUES:

	DATE OF	INTEREST	TOTAL	OUTSTANDING	CHANGES		OUTSTANDING	AMOUNT
BOND ISSUE	ISSUE	RATE	ISSUED	JUNE 30, 2004	ISSUED	MATURED	JUNE 30, 2005	DUE 2006
GOVERNMENTAL ACTIVITIES:								
GENERAL OBLIGATION BONDS:								
GOLF COURSE REFUNDING BONDS								
SERIES 2004	5-6-04	1.6% - 2.65%	\$ 543,000	543,000	—	(134,000)	409,000	\$ 136,000
SWIMMING POOL BONDS	5-15-96	4.2% - 5.8%	\$2,800,000	255,000	—	(125,000)	130,000	\$ 130,000
FIRE AND AMBULANCE BUILDING								
BONDS SERIES 1/15/00	1-20-00	5.5%-5.8%	\$3,900,000	1,060,000	—	(155,000)	905,000	\$ 165,000
REFUNDING BONDS, SERIES 2002	9-1-02	1.45% - 4.25%	\$4,640,000	<u>4,495,000</u>	<u>—</u>	<u>( 55,000)</u>	<u>4,440,000</u>	\$ 60,000
TOTAL GENERAL OBLIGATION BONDS				<u>6,353,000</u>	<u>—</u>	<u>(469,000)</u>	<u>5,884,000</u>	
SPECIAL ASSESSMENT BONDS:								
REFUNDING SERIES 2003 - #22	8-1-03	3.00%	\$1,272,000	1,272,000	—	(198,000)	1,074,000	\$ 202,000
SERIES 1991 - #23	6-1-91	5.7% - 7.7%	\$ 475,000	70,000	—	(35,000)	35,000	\$ 35,000
SERIES 1992 - #24	6-3-92	6.80% - 7.70%	\$ 695,000	205,000	—	(65,000)	140,000	\$ 65,000
SERIES 1994 - #25	6-9-94	5.85% - 6.375%	\$ 403,000	135,000	—	(27,000)	108,000	\$ 27,000
SERIES 2000 - #26	3-18-98	4.50% - 4.90%	\$ 535,000	<u>365,000</u>	<u>—</u>	<u>(35,000)</u>	<u>330,000</u>	\$ 35,000
TOTAL SPECIAL ASSESSMENTS				<u>2,047,000</u>	<u>—</u>	<u>(360,000)</u>	<u>1,687,000</u>	
NOTE PAYABLE	2-2-04	0%	\$ 500,000	<u>398,000</u>	<u>—</u>	<u>( 100,000)</u>	<u>298,000</u>	\$ 100,000
TOTAL GOVERNMENTAL ACTIVITIES BONDS				8,798,000	—	(929,000)	7,869,000	
BOND ISSUANCE COST				(461,523)	—	33,000	(428,523)	
CAPITAL LEASES (SEE NOTE 14)				187,301	9,847	(49,908)	147,240	
TOTAL GOVERNMENTAL ACTIVITIES LONG-TERM DEBT				<u>\$8,523,778</u>	<u>\$ 9,847</u>	<u>\$(945,908)</u>	<u>\$7,587,717</u>	
BUSINESS-TYPE ACTIVITIES								
REVENUE BONDS:								
ENTERPRISE FUND:								
WATER, SEWER AND ELECTRIC								
REVENUE BONDS SERIES 1987A	3-24-87	0%	\$ 975,000	\$ 146,250	\$ —	\$ (48,750)	\$ 97,500	\$ 48,750
WATER, SEWER AND ELECTRIC								
REFUNDING REVENUE BONDS								
SERIES 2003	5-5-03	1.55% - 2.00%	\$2,240,000	1,130,000	—	(1,130,000)	—	\$ —
WATER, SEWER AND ELECTRIC								
REVENUE BOND SERIES 2001	4-30-01	3.95%	\$2,050,000	<u>1,540,000</u>	<u>15,000</u>	<u>( 103,000)</u>	<u>1,452,000</u>	\$ 102,000
TOTAL BUSINESS-TYPE ACTIVITIES BONDS				2,816,250	15,000	(1,281,750)	1,549,500	
BOND ISSUANCE COST				(81,621)	—	81,621	—	
CAPITAL LEASES (SEE NOTE 15)				<u>132,750</u>	<u>—</u>	<u>(7,309)</u>	<u>125,441</u>	
TOTAL BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT				<u>\$2,867,379</u>	<u>\$15,000</u>	<u>\$(1,207,438)</u>	<u>\$1,674,941</u>	

THE WATER, SEWER AND ELECTRIC REVENUE REFUNDING BONDS SERIES 2003 CONTAIN NET REVENUE REQUIREMENTS WHICH MUST BE 135% OF AGGREGATE DEBT SERVICE AS DEFINED BY THE BOND ORDINANCE. IF THE GOVERNMENT MEETS THE REQUIREMENT, THE GOVERNMENT NEED NOT FUND THE RESERVE SUBACCOUNT AS DEFINED IN THE ORDINANCE. AS OF JUNE 30, 2005, THE GOVERNMENT HAS MET THE NET REVENUE REQUIREMENT OF THE BOND ISSUE AND IS IN COMPLIANCE WITH THE REVENUE BOND ORDINANCE.

THE ANNUAL REQUIREMENTS TO AMORTIZE ALL LONG-TERM DEBT OUTSTANDING AS OF JUNE 30, 2005, ARE AS FOLLOWS:

GOVERNMENTAL ACTIVITIES:

GENERAL OBLIGATION BONDS											
	SWIMMING POOL		GOLF COURSE		FIRE & AMBULANCE		REFUNDING BONDS, SERIES 2002		SPECIAL ASSESSMENTS		TOTAL
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
2006	\$130,000	\$6,500	\$136,000	\$9,556	\$165,000	\$49,775	\$ 60,000	\$ 173,268	\$ 364,000	\$67,761	\$ 1,161,860
2007	—	—	133,000	6,836	170,000	40,700	200,000	171,828	348,000	50,981	1,121,345
2008	—	—	140,000	3,710	180,000	31,350	205,000	165,828	280,000	35,819	1,041,707
2009	—	—	—	—	190,000	21,450	210,000	159,165	288,000	25,861	894,476
2010	—	—	—	—	200,000	11,000	220,000	151,815	267,000	15,610	865,425
2011-2015	—	—	—	—	—	—	2,370,000	534,527	140,000	13,965	3,058,492
2016-2018	—	—	—	—	—	—	1,175,000	89,951	—	—	1,264,951
TOTAL	<u>\$130,000</u>	<u>\$6,500</u>	<u>\$409,000</u>	<u>\$20,102</u>	<u>\$905,000</u>	<u>\$154,275</u>	<u>\$4,440,000</u>	<u>\$1,446,382</u>	<u>\$1,687,000</u>	<u>\$209,997</u>	<u>\$9,408,256</u>

NOTES PAYABLE

	PRINCIPAL	INTEREST
2006	\$100,000	\$ —
2007	100,000	—
2008	<u>98,000</u>	<u>—</u>
	<u>\$298,000</u>	<u>\$ —</u>

BUSINESS-TYPE ACTIVITIES:

WATER, SEWER AND ELECTRIC REVENUE BONDS					
	SERIES 2001		SERIES 1987A		TOTAL
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
2006	\$ 102,000	\$ 68,809	\$ 48,750	\$ —	\$ 219,559
2007	103,000	64,780	48,750	—	216,530
2008	102,000	60,712	—	—	162,712
2009	103,000	56,683	—	—	159,683
2010	102,000	52,614	—	—	154,614
2011-2015	513,000	202,399	—	—	715,399
2016-2020	512,000	101,161	—	—	613,161
2021-2022	205,000	12,127	—	—	217,127
TOTAL	<u>\$1,742,000</u>	<u>\$619,285</u>	<u>\$ 97,500</u>	<u>—</u>	<u>\$2,458,785</u>

COMBINED:

	ACTIVITIES		TOTAL
	GOVERNMENTAL	BUSINESS-TYPE	
2006	\$1,261,860	\$ 219,559	\$ 1,481,419
2007	1,221,345	216,530	1,437,875
2008	1,139,707	162,712	1,302,419
2009	894,476	159,683	1,054,159
2010	865,425	154,614	1,020,039
2011-2015	3,058,492	715,399	3,773,891
2016-2020	1,264,951	613,161	1,878,112
2021-2022	—	217,127	217,127
TOTAL	<u>\$9,706,256</u>	<u>\$2,458,785</u>	<u>\$12,165,041</u>

**SUPPLEMENTAL DATA**

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## FUND DESCRIPTIONS

**GENERAL FUND** - TO ACCOUNT FOR ALL FINANCIAL RESOURCES EXCEPT THOSE REQUIRED TO BE ACCOUNTED FOR IN ANOTHER FUND.

**SPECIAL REVENUE FUNDS** - SPECIAL REVENUE FUNDS ARE USED TO ACCOUNT FOR SPECIFIC REVENUES THAT ARE LEGALLY RESTRICTED TO EXPENDITURES FOR PARTICULAR PURPOSES.

### REDEVELOPMENT AGENCY -

**AGENCY #1** - TO ACCOUNT FOR THE TAX INCREMENT REVENUE RECEIVED BY PROJECT AREA #1 FOR USE TO DEVELOP THE DOWNTOWN DISTRICT.

**TRUST** - TO ACCOUNT FOR THE REPAYMENT OF REVOLVING LOAN FUNDS AND FOR GRANTS MADE BY THE GOVERNMENT PROVIDED TO BUSINESSES IN THE DOWNTOWN REDEVELOPMENT DISTRICT. THE FUNDS ARE TO BE USED BY BUSINESSES IN THE DISTRICT TO UPGRADE OR RELOCATE.

**AGENCY #2** - TO ACCOUNT FOR THE TAX INCREMENT RECEIVED BY PROJECT AREA #2 FOR USE TO DEVELOP THE PROJECT AREA.

**WEST FOREST** - TO ACCOUNT FOR THE TAX INCREMENT RECEIVED BY THE WEST FOREST PROJECT FOR USE TO DEVELOP THE PROJECT AREA.

### ECONOMIC DEVELOPMENT AGENCY -

**X-20 PROJECT** - TO ACCOUNT FOR THE TAX INCREMENT RECEIVED BY THE X-20 PROJECT TO DEVELOP ECONOMIC GROWTH IN THE PROJECT AREA.

**WEST FOREST** - TO ACCOUNT FOR THE TAX INCREMENT RECEIVED BY THE WEST FOREST PROJECT TO DEVELOP ECONOMIC GROWTH IN THE PROJECT AREA.

**GOLF FUND** - TO ACCOUNT FOR THE OPERATIONS AND MAINTENANCE OF THE GOVERNMENT-OWNED COURSE. FINANCING IS PROVIDED BY OPERATING TRANSFERS FROM THE GENERAL FUND TO THE EXTENT USER FEES ARE NOT SUFFICIENT TO PROVIDE SUCH FINANCING. IT IS THE INTENT OF THE COUNCIL TO TREAT THE FUND AS A SPECIAL REVENUE FUND.

**LIBRARY FUND** - TO ACCOUNT FOR THE OPERATIONS AND MAINTENANCE OF THE GOVERNMENT-OWNED LIBRARY. FINANCING IS PROVIDED BY A SPECIFIC ANNUAL PROPERTY TAX LEVY TO THE EXTENT MISCELLANEOUS REVENUES (PRIMARILY COUNTY REIMBURSEMENT AND FINES) ARE NOT SUFFICIENT TO PROVIDE SUCH FINANCING. SUCH PROPERTY TAXES MAY ONLY BE USED TO FINANCE THE LIBRARY.

**AIRPORT FUND** - TO ACCOUNT FOR THE OPERATIONS AND MAINTENANCE OF THE GOVERNMENT-OWNED AIRPORT. FINANCING IS PROVIDED BY FEDERAL AND STATE GRANTS AND BY USER FEES, WITH THE GENERAL FUND TRANSFERRING FUNDS INTO THE AIRPORT FUND TO THE EXTENT THE REVENUE SOURCES ARE NOT SUFFICIENT TO COVER EXPENDITURES. THE GOVERNING BODY, BY RESOLUTION, STATED THAT THIS FUND IS NOT INTENDED TO GENERATE PROFITS.

**DEBT SERVICE FUND** - THE DEBT SERVICE FUND IS USED TO ACCOUNT FOR THE ACCUMULATION OF RESOURCES AND PAYMENT OF GENERAL OBLIGATION BOND PRINCIPAL AND INTEREST FROM GOVERNMENTAL RESOURCES AND SPECIAL ASSESSMENT BOND PRINCIPAL AND INTEREST FROM SPECIAL ASSESSMENT LEVIES WHEN THE GOVERNMENT IS OBLIGATED IN SOME MANNER FOR THE PAYMENT.

**CAPITAL PROJECT FUNDS** - CAPITAL PROJECT FUNDS ARE USED TO ACCOUNT FOR THE ACQUISITION AND CONSTRUCTION OF MAJOR CAPITAL FACILITIES OTHER THAN THOSE FINANCED BY PROPRIETARY FUNDS AND TRUST FUNDS.

**EMERGENCY DISASTER** - TO ACCOUNT FOR SET ASIDE FUNDS TO ASSIST IN REPAIRS TO THE CAPITAL FACILITIES OF THE GOVERNMENT IN CASE OF A NATURAL DISASTER.

**GENERAL GOVERNMENT IMPROVEMENTS** - TO ACCOUNT FOR THE COST OF CONSTRUCTION OF CAPITAL FACILITIES.

**AIRPORT** - TO ACCOUNT FOR THE COST OF RUNWAY EXTENSIONS.

**ELECTRIC EMERGENCY** - TO ACCOUNT FOR SET ASIDE FUNDS TO ASSIST IN REPAIRS OF THE ELECTRICAL SYSTEM IN CASE OF A NATURAL DISASTER.

**CEMETERY IMPROVEMENT** - TO ACCOUNT FOR THE COST OF UPGRADING AND INCREASING THE SIZE OF THE GOVERNMENT'S CEMETERY.

**STREET IMPROVEMENT** - TO ACCOUNT FOR FUNDS SET ASIDE TO BUILD A NEW BRIDGE ON 600 NORTH NEAR 1200 WEST.

BRIGHAM CITY CORPORATION  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2005

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS</b>				
CASH AND CASH EQUIVALENTS	\$ 944,632	\$ 487,198	\$ 773,873	\$ 2,205,703
RECEIVABLES (NET)	279,965	359,960	- -	639,925
INVENTORIES	- -	- -	- -	- -
PREPAID ASSETS	3,642	- -	- -	3,642
CAPITAL ASSETS, NET OF DEPRECIATION	- -	- -	- -	- -
TOTAL ASSETS	<u>\$ 1,228,239</u>	<u>\$ 847,158</u>	<u>\$ 773,873</u>	<u>\$ 2,849,270</u>
<b>LIABILITIES</b>				
ACCOUNTS PAYABLE AND ACCRUALS	\$ 62,649	\$ - -	\$ 77,240	\$ 139,889
DEFERRED INCOME	44,785	330,184	- -	374,969
LONG-TERM LIABILITIES (BONDS, NOTES & CAPITAL LEASES):				
DUE WITHIN ONE YEAR	668,023	- -	- -	668,023
DUE IN MORE THAN ONE YEAR	- -	- -	- -	- -
TOTAL LIABILITIES	<u>775,457</u>	<u>330,184</u>	<u>77,240</u>	<u>1,182,881</u>
<b>FUND BALANCES</b>				
RESERVED FOR SPECIFIC PURPOSES	28,610	- -	- -	28,610
UNRESERVED, REPORTED IN:				
CAPITAL PROJECT FUNDS	- -	- -	696,633	696,633
DEBT SERVICE FUNDS	- -	516,974	- -	516,974
SPECIAL REVENUE FUNDS	424,172	- -	- -	424,172
GENERAL FUND	- -	- -	- -	- -
TOTAL FUND BALANCES	<u>452,782</u>	<u>516,974</u>	<u>696,633</u>	<u>1,666,389</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,228,239</u>	<u>\$ 847,158</u>	<u>\$ 773,873</u>	<u>\$ 2,849,270</u>

BRIGHAM CITY CORPORATION  
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2005

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:				
TAXES	\$ 761,954	\$ 622,025	\$ - -	\$ 1,383,979
LICENSES AND PERMITS	- -	- -	- -	- -
INTERGOVERNMENTAL REVENUE	29,296	- -	- -	29,296
CHARGES FOR SERVICES	712,634	- -	36,355	748,989
FINES AND FORFEITURES	28,221	- -	- -	28,221
MISCELLANEOUS	<u>66,673</u>	<u>87,413</u>	<u>46,845</u>	<u>200,931</u>
TOTAL REVENUES	<u>1,598,778</u>	<u>709,438</u>	<u>83,200</u>	<u>2,391,416</u>
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	- -	- -	- -	- -
PUBLIC SAFETY	- -	- -	76,162	76,162
PUBLIC WORKS	29,263	- -	3,954	33,217
PARKS, RECREATION AND PUBLIC PROPERTY	1,050,168	- -	82,155	1,132,323
COMMUNITY AND ECONOMIC DEVELOPMENT	466,887	- -	- -	466,887
CAPITAL OUTLAY	512,284	- -	393,659	905,943
DEBT SERVICE:				
PRINCIPAL	- -	631,000	- -	631,000
INTEREST AND FISCAL CHARGES	<u>- -</u>	<u>312,724</u>	<u>- -</u>	<u>312,724</u>
TOTAL EXPENDITURES	<u>2,058,602</u>	<u>943,724</u>	<u>555,930</u>	<u>3,558,256</u>
EXCESS [DEFICIENCY] OF REVENUES OVER EXPENDITURES	<u>(459,824)</u>	<u>(234,286)</u>	<u>(472,730)</u>	<u>(1,166,840)</u>
OTHER FINANCING SOURCES [USES]:				
TRANSFERS IN	11,000	319,100	395,429	725,529
TRANSFERS OUT	(126,948)	(130,599)	- -	(257,547)
ISSUANCE OF BONDS AND LEASES	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL OTHER FINANCING SOURCES [USES]	<u>(115,948)</u>	<u>188,501</u>	<u>395,429</u>	<u>467,982</u>
NET CHANGE IN FUND BALANCE	(575,772)	(45,785)	(77,301)	(698,858)
FUND BALANCE AT BEGINNING OF YEAR	<u>1,028,554</u>	<u>562,759</u>	<u>773,934</u>	<u>2,365,247</u>
FUND BALANCE AT END OF YEAR	<u>\$ 452,782</u>	<u>\$ 516,974</u>	<u>\$ 696,633</u>	<u>\$ 1,666,389</u>

BRIGHAM CITY CORPORATION  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
JUNE 30, 2005

	REDEVELOPMENT AGENCY			ECONOMIC DEVELOPMENT AGENCY		
	AGENCY #1	TRUST	AGENCY #2	WEST FOREST	X20 PROJECT	WEST FOREST
<b>ASSETS</b>						
CASH AND CASH EQUIVALENTS	\$ 113,369	\$ 3,720	\$ 312,032	\$ - -	\$ 3,593	\$ 1,014
RECEIVABLES (NET)	108,000	44,785	48,403	- -	50,000	- -
INVENTORIES	- -	- -	- -	- -	- -	- -
PREPAID ASSETS	- -	- -	- -	- -	24	- -
CAPITAL ASSETS, NET OF DEPRECIATION	- -	- -	- -	- -	- -	- -
TOTAL ASSETS	<u>\$ 221,369</u>	<u>\$ 48,505</u>	<u>\$ 360,435</u>	<u>\$ - -</u>	<u>\$ 53,617</u>	<u>\$ 1,014</u>
<b>LIABILITIES</b>						
ACCOUNTS PAYABLE AND ACCRUALS	\$ 11,427	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -
DEFERRED INCOME	- -	44,785	- -	- -	- -	- -
LONG-TERM LIABILITIES (BONDS, NOTES & CAPITAL LEASES):						
DUE WITHIN ONE YEAR	- -	- -	- -	529,704	121,617	16,702
DUE IN MORE THAN ONE YEAR	- -	- -	- -	- -	- -	- -
TOTAL LIABILITIES	<u>11,427</u>	<u>44,785</u>	<u>- -</u>	<u>529,704</u>	<u>121,617</u>	<u>16,702</u>
<b>FUND BALANCES</b>						
RESERVED FOR SPECIFIC PURPOSES	- -	- -	- -	- -	- -	- -
UNRESERVED, REPORTED IN:						
CAPITAL PROJECT FUNDS	- -	- -	- -	- -	- -	- -
DEBT SERVICE FUNDS	- -	- -	- -	- -	- -	- -
SPECIAL REVENUE FUNDS	209,942	3,720	360,435	(529,704)	(68,000)	(15,688)
GENERAL FUND	- -	- -	- -	- -	- -	- -
TOTAL FUND BALANCES	<u>209,942</u>	<u>3,720</u>	<u>360,435</u>	<u>(529,704)</u>	<u>(68,000)</u>	<u>(15,688)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 221,369</u>	<u>\$ 48,505</u>	<u>\$ 360,435</u>	<u>\$ - -</u>	<u>\$ 53,617</u>	<u>\$ 1,014</u>



BRIGHAM CITY CORPORATION  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE FUNDS  
 JUNE 30, 2005

(CONTINUED)

	GOLF FUND	LIBRARY FUND	AIRPORT FUND	TOTAL SPECIAL REVENUE FUNDS
<b>ASSETS</b>				
CASH AND CASH EQUIVALENTS	\$ 56,884	\$ 424,453	\$ 29,567	\$ 944,632
RECEIVABLES (NET)	- -	27,024	1,753	279,965
INVENTORIES	- -	- -	- -	- -
PREPAID ASSETS	1,050	2,568	- -	3,642
CAPITAL ASSETS, NET OF DEPRECIATION	- -	- -	- -	- -
TOTAL ASSETS	<u>\$ 57,934</u>	<u>\$ 454,045</u>	<u>\$ 31,320</u>	<u>\$ 1,228,239</u>
<b>LIABILITIES</b>				
ACCOUNTS PAYABLE AND ACCRUALS	\$ 41,024	\$ 9,872	\$ 326	\$ 62,649
DEFERRED INCOME	- -	- -	- -	44,785
LONG-TERM LIABILITIES (BONDS, NOTES & CAPITAL LEASES):				
DUE WITHIN ONE YEAR	- -	- -	- -	668,023
DUE IN MORE THAN ONE YEAR	- -	- -	- -	- -
TOTAL LIABILITIES	<u>41,024</u>	<u>9,872</u>	<u>326</u>	<u>775,457</u>
<b>FUND BALANCES</b>				
RESERVED FOR SPECIFIC PURPOSES	14,705	13,905	- -	28,610
UNRESERVED, REPORTED IN:				
CAPITAL PROJECT FUNDS	- -	- -	- -	- -
DEBT SERVICE FUNDS	- -	- -	- -	- -
SPECIAL REVENUE FUNDS	2,205	430,268	30,994	424,172
GENERAL FUND	- -	- -	- -	- -
TOTAL FUND BALANCES	<u>16,910</u>	<u>444,173</u>	<u>30,994</u>	<u>452,782</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 57,934</u>	<u>\$ 454,045</u>	<u>\$ 31,320</u>	<u>\$ 1,228,239</u>

BRIGHAM CITY CORPORATION  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DEBT SERVICE FUNDS  
JUNE 30, 2005

	FIRE		REFUNDING	GOLF COURSE
	AMBULANCE	SWIMMING POOL	SERIES 2002	REFUNDING
	BUILDING	BONDS	BONDS	BONDS
	BONDS	BONDS	BONDS	BONDS
<b>ASSETS</b>				
CASH AND CASH EQUIVALENTS	\$ 2,933	\$ 86,355	\$ 16,272	\$ 42,309
RECEIVABLES (NET)	10,926	6,971	11,879	- -
INVENTORIES	- -	- -	- -	- -
PREPAID ASSETS	- -	- -	- -	- -
CAPITAL ASSETS, NET OF DEPRECIATION	- -	- -	- -	- -
TOTAL ASSETS	<u>\$ 13,859</u>	<u>\$ 93,326</u>	<u>\$ 28,151</u>	<u>\$ 42,309</u>
<b>LIABILITIES</b>				
ACCOUNTS PAYABLE AND ACCRUALS	\$ - -	\$ - -	\$ - -	\$ - -
DEFERRED INCOME	- -	- -	- -	- -
LONG-TERM LIABILITIES (BONDS, NOTES & CAPITAL LEASES):				
DUE WITHIN ONE YEAR	- -	- -	- -	- -
DUE IN MORE THAN ONE YEAR	- -	- -	- -	- -
TOTAL LIABILITIES	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
<b>FUND BALANCES</b>				
RESERVED FOR SPECIFIC PURPOSES	- -	- -	- -	- -
UNRESERVED, REPORTED IN:				
CAPITAL PROJECT FUNDS	- -	- -	- -	- -
DEBT SERVICE FUNDS	13,859	93,326	28,151	42,309
SPECIAL REVENUE FUNDS	- -	- -	- -	- -
GENERAL FUND	- -	- -	- -	- -
TOTAL FUND BALANCES	<u>13,859</u>	<u>93,326</u>	<u>28,151</u>	<u>42,309</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 13,859</u>	<u>\$ 93,326</u>	<u>\$ 28,151</u>	<u>\$ 42,309</u>

BRIGHAM CITY CORPORATION  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DEBT SERVICE FUNDS  
JUNE 30, 2005

(CONTINUED)

	SPECIAL ASSESSMENT BONDS					TOTAL DEBT
	DISTRICT #23	DISTRICT #24	DISTRICT #25	DISTRICT #26	GUARANTY	SERVICE FUNDS
<b>ASSETS</b>						
CASH AND CASH EQUIVALENTS	\$ 596	\$ 1,747	\$ 188	\$ 162,968	\$ 173,830	\$ 487,198
RECEIVABLES (NET)	35,511	61,783	50,771	161,670	20,449	359,960
INVENTORIES	- -	- -	- -	- -	- -	- -
PREPAID ASSETS	- -	- -	- -	- -	- -	- -
CAPITAL ASSETS, NET OF DEPRECIATION	- -	- -	- -	- -	- -	- -
TOTAL ASSETS	<u>\$ 36,107</u>	<u>\$ 63,530</u>	<u>\$ 50,959</u>	<u>\$ 324,638</u>	<u>\$ 194,279</u>	<u>\$ 847,158</u>
<b>LIABILITIES</b>						
ACCOUNTS PAYABLE AND ACCRUALS	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -
DEFERRED INCOME	35,511	61,783	50,771	161,670	20,449	330,184
LONG-TERM LIABILITIES (BONDS, NOTES & CAPITAL LEASES):						
DUE WITHIN ONE YEAR	- -	- -	- -	- -	- -	- -
DUE IN MORE THAN ONE YEAR	- -	- -	- -	- -	- -	- -
TOTAL LIABILITIES	<u>35,511</u>	<u>61,783</u>	<u>50,771</u>	<u>161,670</u>	<u>20,449</u>	<u>330,184</u>
<b>FUND BALANCES</b>						
RESERVED FOR SPECIFIC PURPOSES	- -	- -	- -	- -	- -	- -
UNRESERVED, REPORTED IN:						
CAPITAL PROJECT FUNDS	- -	- -	- -	- -	- -	- -
DEBT SERVICE FUNDS	596	1,747	188	162,968	173,830	516,974
SPECIAL REVENUE FUNDS	- -	- -	- -	- -	- -	- -
GENERAL FUND	- -	- -	- -	- -	- -	- -
TOTAL FUND BALANCES	<u>596</u>	<u>1,747</u>	<u>188</u>	<u>162,968</u>	<u>173,830</u>	<u>516,974</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 36,107</u>	<u>\$ 63,530</u>	<u>\$ 50,959</u>	<u>\$ 324,638</u>	<u>\$ 194,279</u>	<u>\$ 847,158</u>

BRIGHAM CITY CORPORATION  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 CAPITAL PROJECT FUNDS  
 JUNE 30, 2005

	EMERGENCY DISASTER	GOVERNMENTAL IMPROVEMENTS
<b>ASSETS</b>		
CASH AND CASH EQUIVALENTS	\$ 56,278	\$ 265,704
RECEIVABLES (NET)	- -	- -
INVENTORIES	- -	- -
PREPAID ASSETS	- -	- -
CAPITAL ASSETS, NET OF DEPRECIATION	- -	- -
TOTAL ASSETS	<u>\$ 56,278</u>	<u>\$ 265,704</u>
<b>LIABILITIES</b>		
ACCOUNTS PAYABLE AND ACCRUALS	\$ 42,964	\$ 34,276
DEFERRED INCOME	- -	- -
LONG-TERM LIABILITIES (BONDS, NOTES & CAPITAL LEASES):		
DUE WITHIN ONE YEAR	- -	- -
DUE IN MORE THAN ONE YEAR	- -	- -
TOTAL LIABILITIES	<u>42,964</u>	<u>34,276</u>
<b>FUND BALANCES</b>		
RESERVED FOR SPECIFIC PURPOSES	- -	- -
UNRESERVED, REPORTED IN:		
CAPITAL PROJECT FUNDS	13,314	231,428
DEBT SERVICE FUNDS	- -	- -
SPECIAL REVENUE FUNDS	- -	- -
GENERAL FUND	- -	- -
TOTAL FUND BALANCES	<u>13,314</u>	<u>231,428</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 56,278</u>	<u>\$ 265,704</u>

BRIGHAM CITY CORPORATION  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 CAPITAL PROJECT FUNDS  
 JUNE 30, 2005

(CONTINUED)

	ELECTRIC EMERGENCY	CEMETERY IMPROVEMENT	STREET IMPROVEMENT	TOTAL CAPITAL PROJECT FUNDS
<b>ASSETS</b>				
CASH AND CASH EQUIVALENTS	\$ 238,294	\$ 119,194	\$ 94,403	\$ 773,873
RECEIVABLES (NET)	- -	- -	- -	- -
INVENTORIES	- -	- -	- -	- -
PREPAID ASSETS	- -	- -	- -	- -
CAPITAL ASSETS, NET OF DEPRECIATION	- -	- -	- -	- -
TOTAL ASSETS	<u>\$ 238,294</u>	<u>\$ 119,194</u>	<u>\$ 94,403</u>	<u>\$ 773,873</u>
<b>LIABILITIES</b>				
ACCOUNTS PAYABLE AND ACCRUALS	\$ - -	\$ - -	\$ - -	\$ 77,240
DEFERRED INCOME	- -	- -	- -	- -
LONG-TERM LIABILITIES (BONDS, NOTES & CAPITAL LEASES):				
DUE WITHIN ONE YEAR	- -	- -	- -	- -
DUE IN MORE THAN ONE YEAR	- -	- -	- -	- -
TOTAL LIABILITIES	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>77,240</u>
<b>FUND BALANCES</b>				
RESERVED FOR SPECIFIC PURPOSES	- -	- -	- -	- -
UNRESERVED, REPORTED IN:				
CAPITAL PROJECT FUNDS	238,294	119,194	94,403	696,633
DEBT SERVICE FUNDS	- -	- -	- -	- -
SPECIAL REVENUE FUNDS	- -	- -	- -	- -
GENERAL FUND	- -	- -	- -	- -
TOTAL FUND BALANCES	<u>238,294</u>	<u>119,194</u>	<u>94,403</u>	<u>696,633</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 238,294</u>	<u>\$ 119,194</u>	<u>\$ 94,403</u>	<u>\$ 773,873</u>

BRIGHAM CITY CORPORATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES --- NONMAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2005

	REDEVELOPMENT AGENCY			ECONOMIC DEVELOPMENT AGENCY		
	AGENCY #1	TRUST	AGENCY #2	WEST FOREST	X20 PROJECT	WEST FOREST
<b>REVENUES:</b>						
TAXES	\$ 124,881	\$ - -	\$ 215,087	\$ - -	\$ - -	\$ - -
LICENSES AND PERMITS	- -	- -	- -	- -	- -	- -
INTERGOVERNMENTAL REVENUE	- -	- -	- -	- -	- -	- -
CHARGES FOR SERVICES	- -	- -	- -	- -	- -	- -
FINES AND FORFEITURES	- -	- -	- -	- -	- -	- -
MISCELLANEOUS	40,042	7,223	1,219	- -	- -	- -
<b>TOTAL REVENUES</b>	<b>164,923</b>	<b>7,223</b>	<b>216,306</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>
<b>EXPENDITURES:</b>						
<b>CURRENT:</b>						
GENERAL GOVERNMENT	- -	- -	- -	- -	- -	- -
PUBLIC SAFETY	- -	- -	- -	- -	- -	- -
PUBLIC WORKS	- -	- -	- -	- -	- -	- -
PARKS, RECREATION AND PUBLIC						
PROPERTY	- -	- -	- -	- -	- -	- -
COMMUNITY AND ECONOMIC DEVELOPMENT	158,574	20,628	287,685	- -	- -	- -
CAPITAL OUTLAY	- -	- -	- -	511,620	- -	664
<b>DEBT SERVICE:</b>						
PRINCIPAL	- -	- -	- -	- -	- -	- -
INTEREST AND FISCAL CHARGES	- -	- -	- -	- -	- -	- -
<b>TOTAL EXPENDITURES</b>	<b>158,574</b>	<b>20,628</b>	<b>287,685</b>	<b>511,620</b>	<b>- -</b>	<b>664</b>
<b>EXCESS [DEFICIENCY] OF REVENUES OVER</b>						
<b>EXPENDITURES</b>	<b>6,349</b>	<b>(13,405)</b>	<b>(71,379)</b>	<b>(511,620)</b>	<b>- -</b>	<b>(664)</b>
<b>OTHER FINANCING SOURCES [USES]:</b>						
TRANSFERS IN	- -	- -	- -	- -	- -	1,000
TRANSFERS OUT	(45,000)	- -	(1,000)	- -	- -	- -
ISSUANCE OF BONDS & LEASES	- -	- -	- -	- -	- -	- -
<b>TOTAL OTHER FINANCING SOURCES [USES]</b>	<b>(45,000)</b>	<b>- -</b>	<b>(1,000)</b>	<b>- -</b>	<b>- -</b>	<b>1,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(38,651)</b>	<b>(13,405)</b>	<b>(72,379)</b>	<b>(511,620)</b>	<b>- -</b>	<b>336</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>248,593</b>	<b>17,125</b>	<b>432,814</b>	<b>(18,084)</b>	<b>(68,000)</b>	<b>(16,024)</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 209,942</b>	<b>\$ 3,720</b>	<b>\$ 360,435</b>	<b>\$ (529,704)</b>	<b>\$ (68,000)</b>	<b>\$ (15,688)</b>

BRIGHAM CITY CORPORATION  
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
 IN FUND BALANCE --- NONMAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE FUNDS  
 FOR YEAR ENDED JUNE 30, 2005

(CONTINUED)

	GOLF FUND	LIBRARY FUND	AIRPORT FUND	TOTAL SPECIAL REVENUE FUNDS
REVENUES:				
TAXES	\$ - -	\$ 407,491	\$ 14,495	\$ 761,954
LICENSES AND PERMITS	- -	- -	- -	- -
INTERGOVERNMENTAL REVENUE	- -	29,296	- -	29,296
CHARGES FOR SERVICES	617,482	- -	95,152	712,634
FINES AND FORFEITURES	- -	28,221	- -	28,221
MISCELLANEOUS	3,271	14,918	- -	66,673
TOTAL REVENUES	<u>620,753</u>	<u>479,926</u>	<u>109,647</u>	<u>1,598,778</u>
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	- -	- -	- -	- -
PUBLIC SAFETY	- -	- -	- -	- -
PUBLIC WORKS	- -	- -	29,263	29,263
PARKS, RECREATION AND PUBLIC PROPERTY	630,427	419,741	- -	1,050,168
COMMUNITY AND ECONOMIC DEVELOPMENT	- -	- -	- -	466,887
CAPITAL OUTLAY	- -	- -	- -	512,284
DEBT SERVICE:				
PRINCIPAL	- -	- -	- -	- -
INTEREST AND FISCAL CHARGES	- -	- -	- -	- -
TOTAL EXPENDITURES	<u>630,427</u>	<u>419,741</u>	<u>29,263</u>	<u>2,058,602</u>
EXCESS [DEFICIENCY] OF REVENUES OVER EXPENDITURES	<u>(9,674)</u>	<u>60,185</u>	<u>80,384</u>	<u>(459,824)</u>
OTHER FINANCING SOURCES [USES]:				
TRANSFERS IN	10,000	- -	- -	11,000
TRANSFERS OUT	- -	- -	(80,948)	(126,948)
ISSUANCE OF BONDS AND LEASES	- -	- -	- -	- -
TOTAL OTHER FINANCING SOURCES [USES]	<u>10,000</u>	<u>- -</u>	<u>(80,948)</u>	<u>(115,948)</u>
NET CHANGE IN FUND BALANCE	326	60,185	(564)	(575,772)
FUND BALANCE AT BEGINNING OF YEAR	<u>16,584</u>	<u>383,988</u>	<u>31,558</u>	<u>1,028,554</u>
FUND BALANCE AT END OF YEAR	<u>\$ 16,910</u>	<u>\$ 444,173</u>	<u>\$ 30,994</u>	<u>\$ 452,782</u>

BRIGHAM CITY CORPORATION  
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
 IN FUND BALANCE --- NONMAJOR GOVERNMENTAL FUNDS  
 DEBT SERVICE FUNDS  
 YEAR ENDED JUNE 30, 2005

	FIRE & AMBULANCE BUILDING BONDS	SWIMMING POOL BONDS	REFUNDING SERIES 2002 BONDS	GOLF COURSE REFUNDING BONDS
<b>REVENUES:</b>				
TAXES	\$ 226,811	\$ 150,722	\$ 244,492	\$ - -
LICENSES AND PERMITS	- -	- -	- -	- -
INTERGOVERNMENTAL REVENUE	- -	- -	- -	- -
CHARGES FOR SERVICES	- -	- -	- -	- -
FINES AND FORFEITURES	- -	- -	- -	- -
MISCELLANEOUS	- -	- -	- -	- -
<b>TOTAL REVENUES</b>	<u>226,811</u>	<u>150,722</u>	<u>244,492</u>	<u>- -</u>
<b>EXPENDITURES:</b>				
<b>CURRENT:</b>				
GENERAL GOVERNMENT	- -	- -	- -	- -
PUBLIC SAFETY	- -	- -	- -	- -
PUBLIC WORKS	- -	- -	- -	- -
PARKS, RECREATION AND PUBLIC PROPERTY	- -	- -	- -	- -
COMMUNITY AND ECONOMIC DEVELOPMENT	- -	- -	- -	- -
CAPITAL OUTLAY	- -	- -	- -	- -
<b>DEBT SERVICE:</b>				
PRINCIPAL	155,000	125,000	55,000	134,000
INTEREST AND FISCAL CHARGES	<u>58,949</u>	<u>13,825</u>	<u>175,146</u>	<u>13,547</u>
<b>TOTAL EXPENDITURES</b>	<u>213,949</u>	<u>138,825</u>	<u>230,146</u>	<u>147,547</u>
<b>EXCESS [DEFICIENCY] OF REVENUES OVER EXPENDITURES</b>	<u>12,862</u>	<u>11,897</u>	<u>14,346</u>	<u>(147,547)</u>
<b>OTHER FINANCING SOURCES [USES]:</b>				
TRANSFERS IN	- -	- -	- -	147,600
TRANSFERS OUT	- -	- -	- -	- -
ISSUANCE OF BONDS AND LEASES	- -	- -	- -	- -
<b>TOTAL OTHER FINANCING SOURCES [USES]</b>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>147,600</u>
<b>NET CHANGE IN FUND BALANCE</b>	12,862	11,897	14,346	53
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>997</u>	<u>81,429</u>	<u>13,805</u>	<u>42,256</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 13,859</u>	<u>\$ 93,326</u>	<u>\$ 28,151</u>	<u>\$ 42,309</u>



BRIGHAM CITY CORPORATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE --- NONMAJOR GOVERNMENTAL FUNDS  
 DEBT SERVICE FUNDS  
 FOR YEAR ENDED JUNE 30, 2005

(CONTINUED)

	SPECIAL ASSESSMENT BONDS					TOTAL DEBT
	DISTRICT #23	DISTRICT #24	DISTRICT #25	DISTRICT #26	GUARANTY	SERVICE FUNDS
REVENUES:						
TAXES	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ 622,025
LICENSES AND PERMITS	- -	- -	- -	- -	- -	- -
INTERGOVERNMENTAL REVENUE	- -	- -	- -	- -	- -	- -
CHARGES FOR SERVICES	- -	- -	- -	- -	- -	- -
FINES AND FORFEITURES	- -	- -	- -	- -	- -	- -
MISCELLANEOUS	5,744	20,457	13,728	46,523	961	87,413
TOTAL REVENUES	5,744	20,457	13,728	46,523	961	709,438
EXPENDITURES:						
CURRENT:						
GENERAL GOVERNMENT	- -	- -	- -	- -	- -	- -
PUBLIC SAFETY	- -	- -	- -	- -	- -	- -
PUBLIC WORKS	- -	- -	- -	- -	- -	- -
PARKS, RECREATION AND PUBLIC						
PROPERTY	- -	- -	- -	- -	- -	- -
COMMUNITY AND ECONOMIC DEVELOPMENT	- -	- -	- -	- -	- -	- -
CAPITAL OUTLAY	- -	- -	- -	- -	- -	- -
DEBT SERVICE:						
PRINCIPAL	35,000	65,000	27,000	35,000	- -	631,000
INTEREST AND FISCAL CHARGES	7,193	17,143	9,085	17,796	40	312,724
TOTAL EXPENDITURES	42,193	82,143	36,085	52,796	40	943,724
EXCESS [DEFICIENCY] OF REVENUES OVER						
EXPENDITURES	(36,449)	(61,686)	(22,357)	(6,273)	921	(234,286)
OTHER FINANCING SOURCES [USES]:						
TRANSFERS IN	35,400	58,100	6,000	- -	72,000	319,100
TRANSFERS OUT	- -	- -	- -	- -	(130,599)	(130,599)
ISSUANCE OF BONDS AND LEASES	- -	- -	- -	- -	- -	- -
TOTAL OTHER FINANCING SOURCES [USES]	35,400	58,100	6,000	- -	(58,599)	188,501
NET CHANGE IN FUND BALANCE	(1,049)	(3,586)	(16,357)	(6,273)	(57,678)	(45,785)
FUND BALANCE AT BEGINNING OF YEAR	1,645	5,333	16,545	169,241	231,508	562,759
FUND BALANCE AT END OF YEAR	\$ 596	\$ 1,747	\$ 188	\$ 162,968	\$ 173,830	\$ 516,974

BRIGHAM CITY CORPORATION  
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
 IN FUND BALANCE --- NONMAJOR GOVERNMENTAL FUNDS  
 CAPITAL PROJECT FUNDS  
 YEAR ENDED JUNE 30, 2005

	EMERGENCY DISASTER	GOVERNMENT IMPROVEMENTS
<b>REVENUES:</b>		
TAXES	\$ - -	\$ - -
LICENSES AND PERMITS	- -	- -
INTERGOVERNMENTAL REVENUE	- -	- -
CHARGES FOR SERVICES	- -	- -
FINES AND FORFEITURES	- -	- -
MISCELLANEOUS	- -	42,845
<b>TOTAL REVENUES</b>	- -	42,845
<b>EXPENDITURES:</b>		
<b>CURRENT:</b>		
GENERAL GOVERNMENT	- -	- -
PUBLIC SAFETY	76,162	- -
PUBLIC WORKS	- -	- -
PARKS, RECREATION AND PUBLIC PROPERTY	- -	- -
COMMUNITY AND ECONOMIC DEVELOPMENT	- -	- -
CAPITAL OUTLAY	- -	393,659
<b>DEBT SERVICE:</b>		
PRINCIPAL	- -	- -
INTEREST AND FISCAL CHARGES	- -	- -
<b>TOTAL EXPENDITURES</b>	76,162	393,659
<b>EXCESS [DEFICIENCY] OF REVENUES OVER EXPENDITURES</b>	(76,162)	(350,814)
<b>OTHER FINANCING SOURCES [USES]:</b>		
TRANSFERS IN	65,000	292,135
TRANSFERS OUT	- -	- -
ISSUANCE OF BONDS AND LEASES	- -	- -
<b>TOTAL OTHER FINANCING SOURCES [USES]</b>	65,000	292,135
<b>NET CHANGE IN FUND BALANCE</b>	(11,162)	(58,679)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	24,476	290,107
<b>FUND BALANCE AT END OF YEAR</b>	\$ 13,314	\$ 231,428

BRIGHAM CITY CORPORATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE --- NONMAJOR GOVERNMENTAL FUNDS  
 CAPITAL PROJECT FUNDS  
 YEAR ENDED JUNE 30, 2005

(CONTINUED)

	ELECTRIC EMERGENCY	CEMETERY IMPROVEMENT	STREET IMPROVEMENT	TOTAL CAPITAL PROJECT FUNDS
REVENUES:				
TAXES	\$ - -	\$ - -	\$ - -	\$ - -
LICENSES AND PERMITS	- -	- -	- -	- -
INTERGOVERNMENTAL REVENUE	- -	- -	- -	- -
CHARGES FOR SERVICES	- -	36,355	- -	36,355
FINES AND FORFEITURES	- -	- -	- -	- -
MISCELLANEOUS	- -	4,000	- -	46,845
TOTAL REVENUES	- -	40,355	- -	83,200
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	- -	- -	- -	- -
PUBLIC SAFETY	- -	- -	- -	76,162
PUBLIC WORKS	- -	- -	3,954	3,954
PARKS, RECREATION AND PUBLIC PROPERTY	- -	82,155	- -	82,155
COMMUNITY AND ECONOMIC DEVELOPMENT	- -	- -	- -	- -
CAPITAL OUTLAY	- -	- -	- -	393,659
DEBT SERVICE:				
PRINCIPAL	- -	- -	- -	- -
INTEREST AND FISCAL CHARGES	- -	- -	- -	- -
TOTAL EXPENDITURES	- -	82,155	3,954	555,930
EXCESS [DEFICIENCY] OF REVENUES OVER EXPENDITURES	- -	(41,800)	(3,954)	(472,730)
OTHER FINANCING SOURCES [USES]:				
TRANSFERS IN	38,294	- -	- -	395,429
TRANSFERS OUT	- -	- -	- -	- -
ISSUANCE OF BONDS AND LEASES	- -	- -	- -	- -
TOTAL OTHER FINANCING SOURCES [USES]	38,294	- -	- -	395,429
NET CHANGE IN FUND BALANCE	38,294	(41,800)	(3,954)	(77,301)
FUND BALANCE AT BEGINNING OF YEAR	200,000	160,994	98,357	773,934
FUND BALANCE AT END OF YEAR	\$ 238,294	\$ 119,194	\$ 94,403	\$ 696,633

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE - REDEVELOPMENT AGENCY - AGENCY #1  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES:</b>				
TAXES	\$ 250,000	\$ 250,000	\$ 124,881	\$ (125,119)
INTERGOVERNMENTAL REVENUE	- -	- -	- -	- -
CHARGES FOR SERVICES	- -	- -	- -	- -
FINES AND FORFEITURES	- -	- -	- -	- -
MISCELLANEOUS	<u>15,000</u>	<u>38,000</u>	<u>40,042</u>	<u>2,042</u>
<b>TOTAL REVENUES</b>	<u>265,000</u>	<u>288,000</u>	<u>164,923</u>	<u>(123,077)</u>
<b>EXPENDITURES:</b>				
PARKS, RECREATION AND PUBLIC PROPERTY				
PERSONNEL SERVICES	- -	- -	- -	- -
MATERIALS AND SUPPLIES	- -	- -	- -	- -
OTHER SERVICES AND CHARGES	- -	- -	- -	- -
CAPITAL OUTLAY	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
<b>TOTAL PARKS, RECREATION AND PUBLIC PROPERTY</b>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
COMMUNITY AND ECONOMIC DEVELOPMENT:				
PERSONNEL SERVICES	14,854	15,654	15,463	191
MATERIALS AND SUPPLIES	5,000	5,000	1,627	3,373
OTHER SERVICES AND CHARGES	273,220	263,420	110,592	152,828
CAPITAL OUTLAY	<u>24,000</u>	<u>38,000</u>	<u>30,892</u>	<u>7,108</u>
<b>TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT</b>	<u>317,074</u>	<u>322,074</u>	<u>158,574</u>	<u>163,500</u>
<b>TOTAL EXPENDITURES</b>	<u>317,074</u>	<u>322,074</u>	<u>158,574</u>	<u>163,500</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(52,074)</u>	<u>(34,074)</u>	<u>6,349</u>	<u>40,423</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	- -	- -	- -	- -
TRANSFERS OUT	<u>- -</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>- -</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>- -</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>- -</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</b>	<u>(52,074)</u>	<u>(79,074)</u>	<u>(38,651)</u>	<u>40,423</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>248,593</u>	<u>248,593</u>	<u>248,593</u>	<u>- -</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 196,519</u>	<u>\$ 169,519</u>	<u>\$ 209,942</u>	<u>\$ 40,423</u>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE - REDEVELOPMENT AGENCY - TRUST  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
TAXES	\$ - -	\$ - -	\$ - -	\$ - -
INTERGOVERNMENTAL REVENUE	- -	- -	- -	- -
CHARGES FOR SERVICES	- -	- -	- -	- -
FINES AND FORFEITURES	- -	- -	- -	- -
MISCELLANEOUS	<u>3,000</u>	<u>3,000</u>	<u>7,223</u>	<u>4,223</u>
TOTAL REVENUES	<u>3,000</u>	<u>3,000</u>	<u>7,223</u>	<u>4,223</u>
EXPENDITURES:				
PARKS, RECREATION AND PUBLIC PROPERTY				
PERSONNEL SERVICES	- -	- -	- -	- -
MATERIALS AND SUPPLIES	- -	- -	- -	- -
OTHER SERVICES AND CHARGES	27,000	27,000	20,628	6,372
CAPITAL OUTLAY	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL PARKS, RECREATION AND PUBLIC PROPERTY	<u>27,000</u>	<u>27,000</u>	<u>20,628</u>	<u>6,372</u>
COMMUNITY AND ECONOMIC DEVELOPMENT:				
PERSONNEL SERVICES	- -	- -	- -	- -
MATERIALS AND SUPPLIES	- -	- -	- -	- -
OTHER SERVICES AND CHARGES	- -	- -	- -	- -
CAPITAL OUTLAY	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL EXPENDITURES	<u>27,000</u>	<u>27,000</u>	<u>20,628</u>	<u>6,372</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(24,000)</u>	<u>(24,000)</u>	<u>(13,405)</u>	<u>10,595</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	- -	- -	- -	- -
TRANSFERS OUT	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>(24,000)</u>	<u>(24,000)</u>	<u>(13,405)</u>	<u>10,595</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>17,125</u>	<u>17,125</u>	<u>17,125</u>	<u>- -</u>
FUND BALANCE AT END OF YEAR	<u>\$ (6,875)</u>	<u>\$ (6,875)</u>	<u>\$ 3,720</u>	<u>\$ 10,595</u>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE - REDEVELOPMENT AGENCY - AGENCY #2  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES:</b>				
TAXES	\$ 500,000	\$ 500,000	\$ 215,087	\$ (284,913)
INTERGOVERNMENTAL REVENUE	- -	- -	- -	- -
CHARGES FOR SERVICES	- -	- -	- -	- -
FINES AND FORFEITURES	- -	- -	- -	- -
MISCELLANEOUS	9,600	9,600	1,219	(8,381)
<b>TOTAL REVENUES</b>	<b>509,600</b>	<b>509,600</b>	<b>216,306</b>	<b>(293,294)</b>
<b>EXPENDITURES:</b>				
<b>PARKS, RECREATION AND PUBLIC PROPERTY</b>				
PERSONNEL SERVICES	- -	- -	- -	- -
MATERIALS AND SUPPLIES	- -	- -	- -	- -
OTHER SERVICES AND CHARGES	- -	- -	- -	- -
CAPITAL OUTLAY	- -	- -	- -	- -
<b>TOTAL PARKS, RECREATION AND PUBLIC PROPERTY</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>
<b>COMMUNITY AND ECONOMIC DEVELOPMENT:</b>				
PERSONNEL SERVICES	- -	- -	- -	- -
MATERIALS AND SUPPLIES	- -	- -	- -	- -
OTHER SERVICES AND CHARGES	487,749	486,749	251,981	234,768
CAPITAL OUTLAY	95,123	95,123	35,704	59,419
<b>TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT</b>	<b>582,872</b>	<b>581,872</b>	<b>287,685</b>	<b>294,187</b>
<b>TOTAL EXPENDITURES</b>	<b>582,872</b>	<b>581,872</b>	<b>287,685</b>	<b>294,187</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(73,272)</b>	<b>(72,272)</b>	<b>(71,379)</b>	<b>893</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	- -	- -	- -	- -
TRANSFERS OUT	- -	(1,000)	(1,000)	- -
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>- -</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>- -</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</b>	<b>(73,272)</b>	<b>(73,272)</b>	<b>(72,379)</b>	<b>893</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>432,814</b>	<b>432,814</b>	<b>432,814</b>	<b>- -</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 359,542</b>	<b>\$ 359,542</b>	<b>\$ 360,435</b>	<b>\$ 893</b>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE - REDEVELOPMENT AGENCY - WEST FOREST  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
TAXES	\$ - -	\$ - -	\$ - -	\$ - -
INTERGOVERNMENTAL REVENUE	- -	- -	- -	- -
CHARGES FOR SERVICES	- -	- -	- -	- -
FINES AND FORFEITURES	- -	- -	- -	- -
MISCELLANEOUS	- -	- -	- -	- -
TOTAL REVENUES	- -	- -	- -	- -
EXPENDITURES:				
PARKS, RECREATION AND PUBLIC PROPERTY				
PERSONNEL SERVICES	- -	- -	- -	- -
MATERIALS AND SUPPLIES	- -	- -	- -	- -
OTHER SERVICES AND CHARGES	- -	- -	- -	- -
CAPITAL OUTLAY	- -	- -	- -	- -
TOTAL PARKS, RECREATION AND PUBLIC PROPERTY	- -	- -	- -	- -
COMMUNITY AND ECONOMIC DEVELOPMENT:				
PERSONNEL SERVICES	- -	- -	- -	- -
MATERIALS AND SUPPLIES	- -	- -	- -	- -
OTHER SERVICES AND CHARGES	- -	- -	- -	- -
CAPITAL OUTLAY	- -	512,000	511,620	380
TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	- -	512,000	511,620	380
TOTAL EXPENDITURES	- -	512,000	511,620	380
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	- -	(512,000)	(511,620)	380
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	- -	512,000	- -	(512,000)
TRANSFERS OUT	- -	- -	- -	- -
TOTAL OTHER FINANCING SOURCES (USES)	- -	512,000	- -	(512,000)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	- -	- -	(511,620)	(511,620)
FUND BALANCE AT BEGINNING OF YEAR	(18,084)	(18,084)	(18,084)	- -
FUND BALANCE AT END OF YEAR	\$ (18,084)	\$ (18,084)	\$ (529,704)	\$ (511,620)

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE - ECONOMIC DEVELOPMENT - X20 PROJECT  
YEAR ENDED, JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
TAXES	\$ --	\$ --	\$ --	\$ --
INTERGOVERNMENTAL REVENUE	--	--	--	--
CHARGES FOR SERVICES	--	--	--	--
FINES AND FORFEITURES	--	--	--	--
MISCELLANEOUS	--	--	--	--
TOTAL REVENUES	--	--	--	--
EXPENDITURES:				
PARKS, RECREATION AND PUBLIC PROPERTY				
PERSONNEL SERVICES	--	--	--	--
MATERIALS AND SUPPLIES	--	--	--	--
OTHER SERVICES AND CHARGES	--	--	--	--
CAPITAL OUTLAY	--	--	--	--
TOTAL PARKS, RECREATION AND PUBLIC PROPERTY	--	--	--	--
COMMUNITY AND ECONOMIC DEVELOPMENT:				
PERSONNEL SERVICES	--	--	--	--
MATERIALS AND SUPPLIES	--	--	--	--
OTHER SERVICES AND CHARGES	--	--	--	--
CAPITAL OUTLAY	--	--	--	--
TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	--
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	--	--	--	--
TRANSFERS OUT	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	--	--	--	--
FUND BALANCE AT BEGINNING OF YEAR	(68,000)	(68,000)	(68,000)	--
FUND BALANCE AT END OF YEAR	<u>\$ (68,000)</u>	<u>\$ (68,000)</u>	<u>\$ (68,000)</u>	<u>\$ --</u>



BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE - ECONOMIC DEVELOPMENT - WEST FOREST  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES:				
TAXES	\$ - -	\$ - -	\$ - -	\$ - -
INTERGOVERNMENTAL REVENUE	- -	- -	- -	- -
CHARGES FOR SERVICES	- -	- -	- -	- -
FINES AND FORFEITURES	- -	- -	- -	- -
MISCELLANEOUS	- -	- -	- -	- -
TOTAL REVENUES	- -	- -	- -	- -
EXPENDITURES:				
PARKS, RECREATION AND PUBLIC PROPERTY				
PERSONNEL SERVICES	- -	- -	- -	- -
MATERIALS AND SUPPLIES	- -	- -	- -	- -
OTHER SERVICES AND CHARGES	- -	- -	- -	- -
CAPITAL OUTLAY	- -	- -	- -	- -
TOTAL PARKS, RECREATION AND PUBLIC PROPERTY	- -	- -	- -	- -
COMMUNITY AND ECONOMIC DEVELOPMENT:				
PERSONNEL SERVICES	- -	- -	- -	- -
MATERIALS AND SUPPLIES	- -	- -	- -	- -
OTHER SERVICES AND CHARGES	- -	- -	- -	- -
CAPITAL OUTLAY	- -	1,000	664	336
TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	- -	1,000	664	336
TOTAL EXPENDITURES	- -	1,000	664	336
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	- -	(1,000)	(664)	336
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	- -	1,000	1,000	- -
TRANSFERS OUT	- -	- -	- -	- -
TOTAL OTHER FINANCING SOURCES (USES)	- -	1,000	1,000	- -
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	- -	- -	336	336
FUND BALANCE AT BEGINNING OF YEAR	(16,024)	(16,024)	(16,024)	- -
FUND BALANCE AT END OF YEAR	\$ (16,024)	\$ (16,024)	\$ (15,688)	\$ 336

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE - GOLF FUND  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES:</b>				
TAXES	\$ - -	\$ - -	\$ - -	\$ - -
INTERGOVERNMENTAL REVENUE	- -	- -	- -	- -
CHARGES FOR SERVICES	646,200	646,200	617,482	(28,718)
FINES AND FORFEITURES	- -	- -	- -	- -
MISCELLANEOUS	<u>3,200</u>	<u>3,200</u>	<u>3,271</u>	<u>71</u>
<b>TOTAL REVENUES</b>	<u>649,400</u>	<u>649,400</u>	<u>620,753</u>	<u>(28,647)</u>
<b>EXPENDITURES:</b>				
<b>PARKS, RECREATION AND PUBLIC PROPERTY</b>				
PERSONNEL SERVICES	214,103	203,003	200,702	2,301
MATERIALS AND SUPPLIES	152,809	158,559	153,155	5,404
OTHER SERVICES AND CHARGES	254,083	267,333	262,972	4,361
CAPITAL OUTLAY	<u>14,279</u>	<u>13,879</u>	<u>13,598</u>	<u>281</u>
<b>TOTAL PARKS, RECREATION AND PUBLIC PROPERTY</b>	<u>635,274</u>	<u>642,774</u>	<u>630,427</u>	<u>12,347</u>
<b>COMMUNITY AND ECONOMIC DEVELOPMENT:</b>				
PERSONNEL SERVICES	- -	- -	- -	- -
MATERIALS AND SUPPLIES	- -	- -	- -	- -
OTHER SERVICES AND CHARGES	- -	- -	- -	- -
CAPITAL OUTLAY	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
<b>TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT</b>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
<b>TOTAL EXPENDITURES</b>	<u>635,274</u>	<u>642,774</u>	<u>630,427</u>	<u>12,347</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>14,126</u>	<u>6,626</u>	<u>(9,674)</u>	<u>(16,300)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	- -	- -	10,000	10,000
TRANSFERS OUT	<u>(14,126)</u>	<u>(6,626)</u>	<u>- -</u>	<u>6,626</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(14,126)</u>	<u>(6,626)</u>	<u>10,000</u>	<u>16,626</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</b>	<u>- -</u>	<u>- -</u>	<u>326</u>	<u>326</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>16,584</u>	<u>16,584</u>	<u>16,584</u>	<u>- -</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 16,584</u>	<u>\$ 16,584</u>	<u>\$ 16,910</u>	<u>\$ 326</u>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE - LIBRARY FUND  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
TAXES	\$ 380,000	\$ 380,000	\$ 407,491	\$ 27,491
INTERGOVERNMENTAL REVENUE	- -	2,000	29,296	27,296
CHARGES FOR SERVICES	- -	- -	- -	- -
FINES AND FORFEITURES	27,000	27,000	28,221	1,221
MISCELLANEOUS	- -	- -	14,918	14,918
<b>TOTAL REVENUES</b>	<b>407,000</b>	<b>409,000</b>	<b>479,926</b>	<b>70,926</b>
EXPENDITURES:				
PARKS, RECREATION AND PUBLIC PROPERTY				
PERSONNEL SERVICES	265,004	259,004	252,952	6,052
MATERIALS AND SUPPLIES	30,500	30,800	28,476	2,324
OTHER SERVICES AND CHARGES	96,500	105,500	125,262	(19,762)
CAPITAL OUTLAY	7,500	13,696	13,051	645
<b>TOTAL PARKS, RECREATION AND PUBLIC PROPERTY</b>	<b>399,504</b>	<b>409,000</b>	<b>419,741</b>	<b>(10,741)</b>
COMMUNITY AND ECONOMIC DEVELOPMENT:				
PERSONNEL SERVICES	- -	- -	- -	- -
MATERIALS AND SUPPLIES	- -	- -	- -	- -
OTHER SERVICES AND CHARGES	- -	- -	- -	- -
CAPITAL OUTLAY	- -	- -	- -	- -
<b>TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>
<b>TOTAL EXPENDITURES</b>	<b>399,504</b>	<b>409,000</b>	<b>419,741</b>	<b>(10,741)</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,496	- -	60,185	60,185
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	- -	- -	- -	- -
TRANSFERS OUT	- -	- -	- -	- -
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	7,496	- -	60,185	60,185
FUND BALANCE AT BEGINNING OF YEAR	383,988	383,988	383,988	- -
FUND BALANCE AT END OF YEAR	\$ 391,484	\$ 383,988	\$ 444,173	\$ 60,185

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE - AIRPORT FUND  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES:</b>				
TAXES	\$ 12,700	\$ 12,700	\$ 14,495	\$ 1,795
INTERGOVERNMENTAL REVENUE	- -	- -	- -	- -
CHARGES FOR SERVICES	- -	- -	- -	- -
FINES AND FORFEITURES	- -	- -	- -	- -
MISCELLANEOUS	<u>101,120</u>	<u>101,120</u>	<u>95,152</u>	<u>(5,968)</u>
<b>TOTAL REVENUES</b>	<u>113,820</u>	<u>113,820</u>	<u>109,647</u>	<u>(4,173)</u>
<b>EXPENDITURES:</b>				
<b>PARKS, RECREATION AND PUBLIC PROPERTY</b>				
PERSONNEL SERVICES	1,184	1,184	1,066	118
MATERIALS AND SUPPLIES	28,438	29,038	26,267	2,771
OTHER SERVICES AND CHARGES	3,250	2,650	1,930	720
CAPITAL OUTLAY	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
<b>TOTAL PARKS, RECREATION AND PUBLIC PROPERTY</b>	<u>32,872</u>	<u>32,872</u>	<u>29,263</u>	<u>3,609</u>
<b>COMMUNITY AND ECONOMIC DEVELOPMENT:</b>				
PERSONNEL SERVICES	- -	- -	- -	- -
MATERIALS AND SUPPLIES	- -	- -	- -	- -
OTHER SERVICES AND CHARGES	- -	- -	- -	- -
CAPITAL OUTLAY	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
<b>TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT</b>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
<b>TOTAL EXPENDITURES</b>	<u>32,872</u>	<u>32,872</u>	<u>29,263</u>	<u>3,609</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>80,948</u>	<u>80,948</u>	<u>80,384</u>	<u>(564)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	- -	- -	- -	- -
TRANSFERS OUT	<u>(80,948)</u>	<u>(80,948)</u>	<u>(80,948)</u>	<u>- -</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(80,948)</u>	<u>(80,948)</u>	<u>(80,948)</u>	<u>- -</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</b>	- -	- -	(564)	(564)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>31,558</u>	<u>31,558</u>	<u>31,558</u>	<u>- -</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 31,558</u>	<u>\$ 31,558</u>	<u>\$ 30,994</u>	<u>\$ (564)</u>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE - FIRE & AMBULANCE BUILDING BONDS  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
TAXES	\$ 214,300	\$ 214,300	\$ 226,811	\$ 12,511
SPECIAL ASSESSMENTS	- -	- -	- -	- -
INTEREST	- -	- -	- -	- -
TOTAL REVENUES	<u>214,300</u>	<u>214,300</u>	<u>226,811</u>	<u>12,511</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL RETIREMENT	155,000	155,000	155,000	- -
INTEREST AND FISCAL CHARGES	<u>59,300</u>	<u>59,300</u>	<u>58,949</u>	<u>351</u>
TOTAL EXPENDITURES	<u>214,300</u>	<u>214,300</u>	<u>213,949</u>	<u>351</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	- -	- -	<u>12,862</u>	<u>12,862</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	- -	- -	- -	- -
TRANSFERS OUT	- -	- -	- -	- -
TOTAL OTHER FINANCING SOURCES (USES)	- -	- -	- -	- -
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	- -	- -	12,862	12,862
FUND BALANCE AT BEGINNING OF YEAR	<u>997</u>	<u>997</u>	<u>997</u>	- -
FUND BALANCE AT ENDED OF YEAR	<u>\$ 997</u>	<u>\$ 997</u>	<u>\$ 13,859</u>	<u>\$ 12,862</u>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE - SWIMMING POOL BONDS  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
TAXES	\$ 142,700	\$ 142,700	\$ 150,722	\$ 8,022
SPECIAL ASSESSMENTS	- -	- -	- -	- -
INTEREST	- -	- -	- -	- -
TOTAL REVENUES	<u>142,700</u>	<u>142,700</u>	<u>150,722</u>	<u>8,022</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL RETIREMENT	125,000	125,000	125,000	- -
INTEREST AND FISCAL CHARGES	<u>17,700</u>	<u>17,700</u>	<u>13,825</u>	<u>3,875</u>
TOTAL EXPENDITURES	<u>142,700</u>	<u>142,700</u>	<u>138,825</u>	<u>3,875</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>- -</u>	<u>- -</u>	<u>11,897</u>	<u>11,897</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	- -	- -	- -	- -
TRANSFERS OUT	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>- -</u>	<u>- -</u>	<u>11,897</u>	<u>11,897</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>81,429</u>	<u>81,429</u>	<u>81,429</u>	<u>- -</u>
FUND BALANCE AT ENDED OF YEAR	<u>\$ 81,429</u>	<u>\$ 81,429</u>	<u>\$ 93,326</u>	<u>\$ 11,897</u>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE - GENERAL OBLIGATION REFUNDING BONDS - 2002  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
TAXES	\$ 230,900	\$ 230,900	\$ 244,492	\$ 13,592
SPECIAL ASSESSMENTS	- -	- -	- -	- -
INTEREST	- -	- -	- -	- -
TOTAL REVENUES	<u>230,900</u>	<u>230,900</u>	<u>244,492</u>	<u>13,592</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL RETIREMENT	55,000	55,000	55,000	- -
INTEREST AND FISCAL CHARGES	<u>175,900</u>	<u>175,900</u>	<u>175,146</u>	<u>754</u>
TOTAL EXPENDITURES	<u>230,900</u>	<u>230,900</u>	<u>230,146</u>	<u>754</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	- -	- -	<u>14,346</u>	<u>14,346</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	- -	- -	- -	- -
TRANSFERS OUT	- -	- -	- -	- -
TOTAL OTHER FINANCING SOURCES (USES)	- -	- -	- -	- -
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	- -	- -	<u>14,346</u>	<u>14,346</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>13,805</u>	<u>13,805</u>	<u>13,805</u>	- -
FUND BALANCE AT ENDED OF YEAR	<u>\$ 13,805</u>	<u>\$ 13,805</u>	<u>\$ 28,151</u>	<u>\$ 14,346</u>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE - GOLF COURSE REFUNDING BONDS  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
TAXES	\$ - -	\$ - -	\$ - -	\$ - -
SPECIAL ASSESSMENTS	- -	- -	- -	- -
INTEREST	- -	- -	- -	- -
TOTAL REVENUES	- -	- -	- -	- -
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL RETIREMENT	134,000	134,000	134,000	- -
INTEREST AND FISCAL CHARGES	13,600	13,600	13,547	53
TOTAL EXPENDITURES	147,600	147,600	147,547	53
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(147,600)	(147,600)	(147,547)	53
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	147,600	147,600	147,600	- -
TRANSFERS OUT	- -	- -	- -	- -
TOTAL OTHER FINANCING SOURCES (USES)	147,600	147,600	147,600	- -
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	- -	- -	53	53
FUND BALANCE AT BEGINNING OF YEAR	42,256	42,256	42,256	- -
FUND BALANCE AT ENDED OF YEAR	\$ 42,256	\$ 42,256	\$ 42,309	\$ 53



BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE - SPECIAL ASSESSMENT DISTRICT #22  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
TAXES	\$ - -	\$ - -	\$ - -	\$ - -
SPECIAL ASSESSMENTS	170,000	170,000	204,779	34,779
INTEREST	<u>80,000</u>	<u>80,000</u>	<u>49,264</u>	<u>(30,736)</u>
TOTAL REVENUES	<u>250,000</u>	<u>250,000</u>	<u>254,043</u>	<u>4,043</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL RETIREMENT	205,000	205,000	198,000	7,000
INTEREST AND FISCAL CHARGES	<u>86,100</u>	<u>86,100</u>	<u>38,161</u>	<u>47,939</u>
TOTAL EXPENDITURES	<u>291,100</u>	<u>291,100</u>	<u>236,161</u>	<u>54,939</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(41,100)</u>	<u>(41,100)</u>	<u>17,882</u>	<u>58,982</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	41,100	41,100	31,100	(10,000)
TRANSFERS OUT	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>41,100</u>	<u>41,100</u>	<u>31,100</u>	<u>(10,000)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	- -	- -	48,982	48,982
FUND BALANCE AT BEGINNING OF YEAR	<u>49,277</u>	<u>49,277</u>	<u>49,277</u>	<u>- -</u>
FUND BALANCE AT ENDED OF YEAR	<u>\$ 49,277</u>	<u>\$ 49,277</u>	<u>\$ 98,259</u>	<u>\$ 48,982</u>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE - SPECIAL ASSESSMENT DISTRICT #23  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
TAXES	\$ - -	\$ - -	\$ - -	\$ - -
SPECIAL ASSESSMENTS	6,000	6,000	5,058	(942)
INTEREST	<u>3,000</u>	<u>3,000</u>	<u>686</u>	<u>(2,314)</u>
TOTAL REVENUES	<u>9,000</u>	<u>9,000</u>	<u>5,744</u>	<u>(3,256)</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL RETIREMENT	35,000	35,000	35,000	- -
INTEREST AND FISCAL CHARGES	<u>6,900</u>	<u>7,900</u>	<u>7,193</u>	<u>707</u>
TOTAL EXPENDITURES	<u>41,900</u>	<u>42,900</u>	<u>42,193</u>	<u>707</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(32,900)</u>	<u>(33,900)</u>	<u>(36,449)</u>	<u>(2,549)</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	32,900	33,900	35,400	1,500
TRANSFERS OUT	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>32,900</u>	<u>33,900</u>	<u>35,400</u>	<u>1,500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	- -	- -	(1,049)	(1,049)
FUND BALANCE AT BEGINNING OF YEAR	<u>1,645</u>	<u>1,645</u>	<u>1,645</u>	- -
FUND BALANCE AT ENDED OF YEAR	<u>\$ 1,645</u>	<u>\$ 1,645</u>	<u>\$ 596</u>	<u>\$ (1,049)</u>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE - SPECIAL ASSESSMENT DISTRICT #24  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
TAXES	\$ - -	\$ - -	\$ - -	\$ - -
SPECIAL ASSESSMENTS	20,000	20,000	12,488	(7,512)
INTEREST	<u>5,000</u>	<u>5,000</u>	<u>7,969</u>	<u>2,969</u>
TOTAL REVENUES	<u>25,000</u>	<u>25,000</u>	<u>20,457</u>	<u>(4,543)</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL RETIREMENT	65,000	65,000	65,000	- -
INTEREST AND FISCAL CHARGES	<u>16,100</u>	<u>17,300</u>	<u>17,143</u>	<u>157</u>
TOTAL EXPENDITURES	<u>81,100</u>	<u>82,300</u>	<u>82,143</u>	<u>157</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(56,100)</u>	<u>(57,300)</u>	<u>(61,686)</u>	<u>(4,386)</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	26,100	27,300	58,100	30,800
TRANSFERS OUT	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>26,100</u>	<u>27,300</u>	<u>58,100</u>	<u>30,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(3,586)</u>	<u>26,414</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>5,333</u>	<u>5,333</u>	<u>5,333</u>	<u>- -</u>
FUND BALANCE AT ENDED OF YEAR	<u>\$ (24,667)</u>	<u>\$ (24,667)</u>	<u>\$ 1,747</u>	<u>\$ 26,414</u>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE - SPECIAL ASSESSMENT DISTRICT #25  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
TAXES	\$ - -	\$ - -	\$ - -	\$ - -
SPECIAL ASSESSMENTS	15,000	15,000	11,452	(3,548)
INTEREST	<u>2,500</u>	<u>2,500</u>	<u>2,276</u>	<u>(224)</u>
TOTAL REVENUES	<u>17,500</u>	<u>17,500</u>	<u>13,728</u>	<u>(3,772)</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL RETIREMENT	27,000	27,000	27,000	- -
INTEREST AND FISCAL CHARGES	<u>9,000</u>	<u>9,500</u>	<u>9,085</u>	<u>415</u>
TOTAL EXPENDITURES	<u>36,000</u>	<u>36,500</u>	<u>36,085</u>	<u>415</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(18,500)</u>	<u>(19,000)</u>	<u>(22,357)</u>	<u>(3,357)</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	- -	- -	6,000	6,000
TRANSFERS OUT	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>- -</u>	<u>- -</u>	<u>6,000</u>	<u>6,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(18,500)	(19,000)	(16,357)	2,643
FUND BALANCE AT BEGINNING OF YEAR	<u>16,545</u>	<u>16,545</u>	<u>16,545</u>	- -
FUND BALANCE AT ENDED OF YEAR	<u>\$ (1,955)</u>	<u>\$ (2,455)</u>	<u>\$ 188</u>	<u>\$ 2,643</u>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE - SPECIAL ASSESSMENT DISTRICT #26  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
TAXES	\$ - -	\$ - -	\$ - -	\$ - -
SPECIAL ASSESSMENTS	25,000	25,000	32,894	7,894
INTEREST	<u>10,000</u>	<u>10,000</u>	<u>13,629</u>	<u>3,629</u>
TOTAL REVENUES	<u>35,000</u>	<u>35,000</u>	<u>46,523</u>	<u>11,523</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL RETIREMENT	35,000	35,000	35,000	- -
INTEREST AND FISCAL CHARGES	<u>18,500</u>	<u>18,500</u>	<u>17,796</u>	<u>704</u>
TOTAL EXPENDITURES	<u>53,500</u>	<u>53,500</u>	<u>52,796</u>	<u>704</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(18,500)</u>	<u>(18,500)</u>	<u>(6,273)</u>	<u>12,227</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	- -	- -	- -	- -
TRANSFERS OUT	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(18,500)	(18,500)	(6,273)	12,227
FUND BALANCE AT BEGINNING OF YEAR	<u>169,241</u>	<u>169,241</u>	<u>169,241</u>	<u>- -</u>
FUND BALANCE AT ENDED OF YEAR	<u>\$ 150,741</u>	<u>\$ 150,741</u>	<u>\$ 162,968</u>	<u>\$ 12,227</u>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE - SPECIAL ASSESSMENT GUARANTY  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
TAXES	\$ - -	\$ - -	\$ - -	\$ - -
SPECIAL ASSESSMENTS	- -	- -	845	845
INTEREST	- -	- -	116	116
<b>TOTAL REVENUES</b>	<b>- -</b>	<b>- -</b>	<b>961</b>	<b>961</b>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL RETIREMENT	- -	- -	- -	- -
INTEREST AND FISCAL CHARGES	- -	4,000	40	3,960
<b>TOTAL EXPENDITURES</b>	<b>- -</b>	<b>4,000</b>	<b>40</b>	<b>3,960</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	- -	(4,000)	921	4,921
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	- -	72,000	72,000	- -
TRANSFERS OUT	(100,100)	(168,100)	(130,599)	37,501
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(100,100)</b>	<b>(96,100)</b>	<b>(58,599)</b>	<b>37,501</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(100,100)	(100,100)	(57,678)	42,422
FUND BALANCE AT BEGINNING OF YEAR	231,508	231,508	231,508	- -
<b>FUND BALANCE AT ENDED OF YEAR</b>	<b>\$ 131,408</b>	<b>\$ 131,408</b>	<b>\$ 173,830</b>	<b>\$ 42,422</b>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECT - EMERGENCY DISASTER  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
INTERGOVERNMENTAL REVENUES	\$ - -	\$ - -	\$ - -	\$ - -
MISCELLANEOUS	- -	- -	- -	- -
TOTAL REVENUES	- -	- -	- -	- -
EXPENDITURES:				
CAPITAL OUTLAY:				
GENERAL GOVERNMENT	- -	- -	- -	- -
PUBLIC SAFETY	- -	77,000	76,162	838
PUBLIC WORKS	- -	- -	- -	- -
PARKS, RECREATION AND PUBLIC PROPERTY	- -	- -	- -	- -
TOTAL EXPENDITURES	- -	77,000	76,162	838
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	- -	(77,000)	(76,162)	838
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	- -	65,000	65,000	- -
TRANSFERS OUT	- -	- -	- -	- -
TOTAL OTHER FINANCING SOURCES (USES)	- -	65,000	65,000	- -
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	- -	(12,000)	(11,162)	838
FUND BALANCE AT BEGINNING OF YEAR	24,476	24,476	24,476	- -
FUND BALANCE AT END OF YEAR	\$ 24,476	\$ 12,476	\$ 13,314	\$ 838

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECT - GENERAL GOVERNMENT IMPROVEMENTS  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES:</b>				
INTERGOVERNMENTAL REVENUES	\$ - -	\$ - -	\$ - -	\$ - -
MISCELLANEOUS	- -	42,000	42,845	845
<b>TOTAL REVENUES</b>	- -	42,000	42,845	845
<b>EXPENDITURES:</b>				
<b>CAPITAL OUTLAY:</b>				
GENERAL GOVERNMENT	- -	42,000	41,352	648
PUBLIC SAFETY	- -	- -	- -	- -
PUBLIC WORKS	- -	313,000	311,593	1,407
PARKS, RECREATION AND PUBLIC PROPERTY	- -	42,500	40,714	1,786
<b>TOTAL EXPENDITURES</b>	- -	397,500	393,659	3,841
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	- -	(397,500)	(393,659)	3,841
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	- -	292,135	292,135	- -
TRANSFERS OUT	- -	- -	- -	- -
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	- -	292,135	292,135	- -
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</b>	- -	(63,365)	(58,679)	4,686
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	290,107	290,107	290,107	- -
<b>FUND BALANCE AT END OF YEAR</b>	\$ 290,107	\$ 226,742	\$ 231,428	\$ 4,686



BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECT - AIRPORT  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
INTERGOVERNMENTAL REVENUES	\$ 1,431,640	\$ 1,431,640	\$ 1,702,030	\$ 270,390
MISCELLANEOUS	- -	- -	- -	- -
TOTAL REVENUES	<u>1,431,640</u>	<u>1,431,640</u>	<u>1,702,030</u>	<u>270,390</u>
EXPENDITURES:				
CAPITAL OUTLAY:				
GENERAL GOVERNMENT	- -	- -	- -	- -
PUBLIC SAFETY	- -	- -	- -	- -
PUBLIC WORKS	1,332,500	1,335,500	1,690,575	(355,075)
PARKS, RECREATION AND PUBLIC PROPERTY	- -	- -	- -	- -
TOTAL EXPENDITURES	<u>1,332,500</u>	<u>1,335,500</u>	<u>1,690,575</u>	<u>(355,075)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>99,140</u>	<u>96,140</u>	<u>11,455</u>	<u>(84,685)</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	80,948	80,948	80,948	- -
TRANSFERS OUT	- -	- -	- -	- -
TOTAL OTHER FINANCING SOURCES (USES)	<u>80,948</u>	<u>80,948</u>	<u>80,948</u>	<u>- -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	180,088	177,088	92,403	(84,685)
FUND BALANCE AT BEGINNING OF YEAR	<u>351,357</u>	<u>351,357</u>	<u>351,357</u>	<u>- -</u>
FUND BALANCE AT END OF YEAR	<u>\$ 531,445</u>	<u>\$ 528,445</u>	<u>\$ 443,760</u>	<u>\$ (84,685)</u>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECT - ELECTRIC EMERGENCY  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --
MISCELLANEOUS	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
TOTAL REVENUES	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
EXPENDITURES:				
CAPITAL OUTLAY:				
GENERAL GOVERNMENT	--	--	--	--
PUBLIC SAFETY	--	--	--	--
PUBLIC WORKS	--	--	--	--
PARKS, RECREATION AND PUBLIC PROPERTY	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
TOTAL EXPENDITURES	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	38,294	38,294	38,294	--
TRANSFERS OUT	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	38,294	38,294	38,294	--
FUND BALANCE AT BEGINNING OF YEAR	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>    </u>
FUND BALANCE AT END OF YEAR	<u>\$ 238,294</u>	<u>\$ 238,294</u>	<u>\$ 238,294</u>	<u>\$ --</u>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECT - CEMETERY IMPROVEMENT  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
INTERGOVERNMENTAL REVENUES	\$ - -	\$ - -	\$ - -	\$ - -
MISCELLANEOUS	<u>34,450</u>	<u>38,450</u>	<u>40,355</u>	<u>1,905</u>
TOTAL REVENUES	<u>34,450</u>	<u>38,450</u>	<u>40,355</u>	<u>1,905</u>
EXPENDITURES:				
CAPITAL OUTLAY:				
GENERAL GOVERNMENT	- -	- -	- -	- -
PUBLIC SAFETY	- -	- -	- -	- -
PUBLIC WORKS	- -	- -	- -	- -
PARKS, RECREATION AND PUBLIC PROPERTY	<u>30,000</u>	<u>94,000</u>	<u>82,155</u>	<u>11,845</u>
TOTAL EXPENDITURES	<u>30,000</u>	<u>94,000</u>	<u>82,155</u>	<u>11,845</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,450</u>	<u>(55,550)</u>	<u>(41,800)</u>	<u>13,750</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	- -	- -	- -	- -
TRANSFERS OUT	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>4,450</u>	<u>(55,550)</u>	<u>(41,800)</u>	<u>13,750</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>160,994</u>	<u>160,994</u>	<u>160,994</u>	<u>- -</u>
FUND BALANCE AT END OF YEAR	<u>\$ 165,444</u>	<u>\$ 105,444</u>	<u>\$ 119,194</u>	<u>\$ 13,750</u>

BRIGHAM CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECT - STREET IMPROVEMENTS  
YEAR ENDED JUNE 30, 2005

	BUDGETARY AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
INTERGOVERNMENTAL REVENUES	\$ - -	\$ - -	\$ - -	\$ - -
MISCELLANEOUS	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL REVENUES	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
EXPENDITURES:				
CAPITAL OUTLAY:				
GENERAL GOVERNMENT	- -	- -	- -	- -
PUBLIC SAFETY	- -	- -	- -	- -
PUBLIC WORKS	- -	5,000	3,954	1,046
PARKS, RECREATION AND PUBLIC PROPERTY	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL EXPENDITURES	<u>- -</u>	<u>5,000</u>	<u>3,954</u>	<u>1,046</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>- -</u>	<u>(5,000)</u>	<u>(3,954)</u>	<u>1,046</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	- -	- -	- -	- -
TRANSFERS OUT	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	- -	(5,000)	(3,954)	1,046
FUND BALANCE AT BEGINNING OF YEAR	<u>98,357</u>	<u>98,357</u>	<u>98,357</u>	<u>- -</u>
FUND BALANCE AT END OF YEAR	<u>\$ 98,357</u>	<u>\$ 93,357</u>	<u>\$ 94,403</u>	<u>\$ 1,046</u>

BRIGHAM CITY CORPORATION  
SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY SOURCES  
JUNE 30, 2005

GOVERNMENTAL CAPITAL ASSETS:

LAND .....	\$4,830,605
BUILDINGS .....	7,636,645
IMPROVEMENTS OTHER THAN BUILDINGS .....	24,656,327
EQUIPMENT .....	<u>7,751,179</u>
TOTAL GOVERNMENTAL CAPITAL ASSETS .....	<u>\$44,874,756</u>

INVESTMENT IN GOVERNMENTAL CAPITAL ASSETS FROM:

GENERAL OBLIGATION BONDS .....	\$ 8,636,242
GENERAL FUND REVENUES .....	15,234,055
SPECIAL REVENUE FUND REVENUES .....	4,581,143
REDEVELOPMENT AGENCY REVENUES .....	682,134
CAPITAL PROJECT FUND REVENUES .....	5,242,161
CAPITAL PROJECT FUND DEBT .....	3,772,992
INTERNAL SERVICE FUND REVENUES .....	5,237,960
CONTRIBUTIONS IN AID OF CONSTRUCTION .....	<u>1,488,069</u>
TOTAL INVESTMENT IN GOVERNMENTAL CAPITAL ASSETS .....	<u>\$44,874,756</u>

BRIGHAM CITY CORPORATION  
SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION, ACTIVITY AND FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2005

	BALANCE JUNE 30, 2004	ADDITIONS	(DEDUCTIONS) TRANSFERS	BALANCE JUNE 30, 2005
<b>GENERAL FUND:</b>				
<b>GENERAL GOVERNMENT:</b>				
CITY COUNCIL	\$ 7,126	\$ —	\$ —	\$ 7,126
MAYOR'S OFFICE	10,222	5,165	(10,222)	5,165
ADMINISTRATION	184,810	114,090	(32,961)	265,939
BUILDINGS	724,450	—	(15,195)	709,255
PLANNING & ECONOMIC DEVELOPMENT	8,105	—	(8,105)	—
TOTAL GENERAL GOVERNMENT	<u>934,713</u>	<u>119,255</u>	<u>(66,483)</u>	<u>987,485</u>
<b>PUBLIC SAFETY:</b>				
POLICE	223,288	29,416	(24,906)	227,798
ANIMAL CONTROL	296,461	—	—	296,461
FIRE	48,010	—	(8,693)	39,317
AMBULANCE	57,535	—	(8,435)	49,100
EMERGENCY SERVICES	4,174,644	119,140	—	4,293,784
COMMUNITY DEVELOPMENT	<u>1,095,276</u>	<u>—</u>	<u>—</u>	<u>1,095,276</u>
TOTAL PUBLIC SAFETY	<u>5,895,214</u>	<u>148,556</u>	<u>(42,034)</u>	<u>6,001,736</u>
<b>PUBLIC WORKS:</b>				
STREETS AND HIGHWAYS	10,245,454	226,319	(5,531)	10,466,242
ENGINEERING	86,166	15,827	(25,643)	76,350
AIRPORT	<u>7,183,253</u>	<u>1,653,283</u>	<u>(4,645)</u>	<u>8,831,891</u>
TOTAL PUBLIC WORKS	<u>17,514,873</u>	<u>1,895,429</u>	<u>(35,819)</u>	<u>19,374,483</u>
<b>PARKS, RECREATION AND PUBLIC PROPERTY:</b>				
RECREATION	108,126	—	—	108,126
SWIMMING POOL	2,824,844	—	(3,588)	2,821,256
PARKS & RECREATION ADM	9,609	—	(4,486)	5,123
PARKS	2,811,907	25,207	(25,168)	2,811,946
CEMETERY	643,564	97,154	—	740,718
MUSEUM GALLERY	7,955	—	(1,395)	6,560
SENIOR CITIZENS	<u>30,442</u>	<u>5,707</u>	<u>(8,132)</u>	<u>28,017</u>
TOTAL PARKS, RECREATION AND PUBLIC PROPERTY	<u>6,436,447</u>	<u>128,068</u>	<u>(42,769)</u>	<u>6,521,746</u>
TOTAL GENERAL	<u>30,781,247</u>	<u>2,291,308</u>	<u>(187,105)</u>	<u>32,885,450</u>
<b>SPECIAL REVENUE FUNDS:</b>				
GOLF FUND	3,980,084	—	(6,079)	3,974,005
LIBRARY FUND	608,581	5,614	(7,057)	607,138
REDEVELOPMENT AGENCY #1 FUND	170,514	—	—	170,514
REDEVELOPMENT AGENCY - WEST FOREST	—	511,620	—	511,620
TOTAL SPECIAL REVENUE FUNDS	<u>4,759,179</u>	<u>517,234</u>	<u>(13,136)</u>	<u>5,263,277</u>
INTERNAL SERVICE FUND	<u>6,405,671</u>	<u>602,049</u>	<u>(281,691)</u>	<u>6,726,029</u>
TOTAL GENERAL CAPITAL ASSETS	<u>\$41,946,097</u>	<u>\$3,410,591</u>	<u>\$(481,932)</u>	<u>\$44,874,756</u>

BRIGHAM CITY CORPORATION  
SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION, ACTIVITY AND FUND  
JUNE 30, 2005

				IMPROVEMENTS	
	TOTAL	LAND	BUILDINGS	OTHER THAN BUILDINGS	EQUIPMENT
GENERAL FUND:					
GENERAL GOVERNMENT:					
CITY COUNCIL	\$ 7,126	\$ —	\$ —	\$ 1,727	\$ 5,399
MAYOR'S OFFICE	5,165	—	—	—	5,165
ADMINISTRATIVE	265,939	—	—	—	265,939
BUILDINGS	709,255	—	285,963	268,578	154,714
TOTAL GENERAL GOVERNMENT	987,485	—	285,963	270,305	431,217
PUBLIC SAFETY:					
POLICE	227,798	—	28,000	14,356	185,442
ANIMAL CONTROL	296,461	44,271	252,190	—	—
FIRE	39,317	—	—	—	39,317
AMBULANCE	49,100	—	—	—	49,100
EMERGENCY SERVICES	4,293,784	429,915	3,710,800	—	153,069
COMMUNITY DEVELOPMENT	1,095,276	475,276	620,000	—	—
TOTAL PUBLIC SAFETY	6,001,736	949,462	4,610,990	14,356	426,928
PUBLIC WORKS:					
STREETS AND HIGHWAYS	10,466,242	103,591	46,652	10,311,313	4,686
ENGINEERING	76,350	—	—	—	76,350
AIRPORT	8,831,891	2,259,807	627,839	5,933,609	10,636
TOTAL PUBLIC WORKS	19,374,483	2,363,398	674,491	16,244,922	91,672
PARKS, RECREATION AND PUBLIC PROPERTY:					
RECREATION	108,126	—	—	108,126	—
SWIMMING POOL	2,821,256	—	—	2,740,410	80,846
PARKS & RECREATION ADM	5,123	—	—	—	5,123
PARKS	2,811,946	833,111	246,483	1,512,705	219,647
CEMETERY	740,718	—	93,634	629,748	17,336
MUSEUM GALLERY	6,560	—	—	5,931	629
SENIOR CITIZENS	28,017	—	—	2,571	25,446
TOTAL PARKS, RECREATION AND PUBLIC PROPERTY	6,521,746	833,111	340,117	4,999,491	349,027
TOTAL GENERAL FUND	32,885,450	4,145,971	5,911,561	21,529,074	1,298,844
SPECIAL REVENUE FUNDS:					
GOLF FUND	3,974,005	2,500	823,632	3,072,967	74,906
LIBRARY FUND	607,138	—	554,000	19,000	34,138
REDEVELOPMENT AGENCY #1 FUND	170,514	170,514	—	—	—
REDEVELOPMENT AGENCY - WEST FOREST	511,620	511,620	—	—	—
TOTAL SPECIAL REVENUE FUNDS	5,263,277	684,634	1,377,632	3,091,967	109,044
INTERNAL SERVICE FUND	6,726,029	—	347,452	35,286	6,343,291
TOTAL GENERAL CAPITAL ASSETS ALLOCATED BY FUNCTION, ACTIVITY AND FUND	\$44,874,756	\$4,830,605	\$7,636,645	\$24,656,327	\$7,751,179

## STATISTICAL SECTION



BRIGHAM CITY CORPORATION  
GENERAL GOVERNMENTAL EXPENDITURES AND OTHER USES BY FUNCTION <sup>1</sup>  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>FISCAL</u> <u>YEAR</u>	<u>GENERAL</u> <u>GOVERNMENT</u>	<u>PUBLIC</u> <u>SAFETY</u>	<u>PUBLIC</u> <u>WORKS</u>	<u>PARKS &amp;</u> <u>RECREATION</u>	<u>TRANSFERS</u> <u>OUT</u>	<u>TOTAL</u>
1996	\$1,479,957	\$2,016,559	\$1,180,285	\$1,172,238	\$750,414	\$6,599,453
1997	1,442,783	1,871,920	1,154,766	1,378,929	767,263	6,615,661
1998	1,443,127	2,276,375	1,614,289	1,613,571	748,185	7,695,547
1999	1,590,889	2,669,374	1,600,465	1,818,350	610,989	8,290,067
2000	1,751,904	2,785,746	1,597,862	2,076,577	354,387	8,566,276
2001	1,860,804	3,018,233	1,306,002	1,974,431	760,726	8,920,196
2002	1,931,332	3,111,546	1,439,250	2,029,059	371,394	8,882,581
2003	1,717,741	3,359,135	1,468,222	2,092,474	503,726	9,141,298
2004	1,931,139	3,460,198	1,603,669	2,609,599	155,995	9,760,600
2005	1,873,166	4,605,450	1,479,141	2,148,112	476,746	10,582,615

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<sup>1</sup> GENERAL FUND EXPENDITURES ONLY

BRIGHAM CITY CORPORATION  
GENERAL GOVERNMENTAL REVENUE AND OTHER FINANCING SOURCES BY SOURCE <sup>1</sup>  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>FISCAL YEAR</u>	<u>TAXES</u>	<u>LICENSES/ PERMITS</u>	<u>INTER- GOVERNMENT</u>	<u>CHARGES FOR SERVICE</u>	<u>FINES &amp; FORFEITURE</u>	<u>MISC.</u>	<u>TRANSFERS IN</u>	<u>OTHER</u>	<u>TOTAL</u>
1996	\$2,413,139	\$165,902	\$691,078	\$1,015,698	\$27,365	\$572,810	\$1,670,836	\$ —	\$6,556,828
1997	2,612,416	169,597	596,302	1,111,127	34,533	752,997	1,865,580	—	7,142,552
1998	2,709,711	151,769	789,149	1,267,821	52,911	778,237	1,735,548	—	7,485,146
1999	2,922,649	205,242	1,005,647	1,404,866	68,448	655,447	1,602,310	230,479	8,095,088
2000	3,095,899	286,548	1,254,176	1,659,785	68,333	808,151	1,788,495	—	8,961,387
2001	3,196,526	201,288	875,924	1,736,050	116,890	585,872	1,920,026	—	8,632,576
2002	3,796,550	181,519	1,041,042	1,656,285	166,838	475,263	1,926,252	—	9,243,749
2003	3,351,118	213,260	1,118,672	1,703,917	140,831	439,552	1,988,958	—	8,956,308
2004	3,344,216	255,711	1,583,467	1,740,693	128,187	381,467	1,862,616	500,000	9,796,357
2005	3,747,597	282,049	1,904,832	1,851,087	125,981	480,819	2,155,013	9,647	10,557,025

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<sup>1</sup> GENERAL FUND REVENUES ONLY

BRIGHAM CITY CORPORATION  
PROPERTY TAX APPROPRIATIONS AND COLLECTIONS - LAST TEN FISCAL YEARS  
UNAUDITED

<u>FISCAL YEAR <sup>1</sup></u>	<u>TOTAL TAX APPROPRIATIONS</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>PERCENT OF TAX COLLECTED</u>	<u>DELINQUENT TAX COLLECTION</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>PERCENT OF TOTAL TAX COLLECTION TO TAX APPROPRIATIONS</u>
1996	\$ 654,253	\$ 643,551	98.4	\$13,956	\$ 657,507	100.5
1997	664,151	647,739	97.5	14,618	662,357	99.7
1998	738,894	697,096	94.3	12,031	709,127	96.0
1999	709,668	673,273	94.9	17,975	691,248	97.4
2000	1,072,278	1,011,040	94.2	26,452	1,037,492	96.7
2001	1,335,864	1,254,771	93.9	54,875	1,309,646	98.0
2002	1,318,453	1,233,124	93.5	54,564	1,207,688	97.7
2003	1,333,309	1,247,183	93.5	50,979	1,298,162	97.4
2004	1,340,493	1,235,278	92.2	45,577	1,280,855	95.6
2005	NOT AVAILABLE					

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<sup>1</sup> COUNTY CALENDAR YEAR.  
INFORMATION TAKEN FROM COUNTY'S AUDIT REPORT

BRIGHAM CITY CORPORATION  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 UNAUDITED

<u>FISCAL YEAR</u>	REAL PROPERTY ESTIMATED <u>ACTUAL VALUE</u>	PERSONAL PROPERTY ESTIMATED <u>ACTUAL VALUE</u>	TOTAL ESTIMATED <u>ACTUAL VALUE</u>
1996	\$318,511,757	\$141,593,139	\$460,104,896
1997	355,140,724	133,319,099	488,459,823
1998	404,438,808	133,015,003	537,453,811
1999	384,674,520	135,373,110	520,047,630
2000	438,335,270	114,170,721	552,505,991
2001	448,362,912	108,448,604	556,811,516
2002	491,876,102	91,394,014	583,270,116
2003	433,038,287	81,920,690	514,958,977
2004	416,205,151	72,053,931	488,259,082
2005	466,540,567	72,422,796	538,963,363 <sup>1</sup>

INFORMATION TAKEN FROM FORM TC-697 BOX ELDER COUNTY.

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<sup>1</sup> BOX ELDER COUNTY REVALUED THE PROPERTY WITHIN THE CITY LIMITS OF THE GOVERNMENT.

BRIGHAM CITY CORPORATION  
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUE OF TAXABLE VALUE)  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>FISCAL YEAR</u>	<u>BRIGHAM CITY CORPORATION</u>	<u>BOX ELDER COUNTY</u>	<u>BOX ELDER COUNTY SCHOOL DIST.</u>	<u>BOX ELDER MOSQUITO ABATEMENT</u>	<u>BEAR RIVER WATER CONSERVANCY DISTRICT</u>	<u>TOTAL</u>
1996	1.374	1.250	7.260	.209	.187	10.280
1997	1.365	2.038	6.036	.204	.185	9.828
1998	1.363	1.867	5.970	.202	.176	9.578
1999	1.373	1.820	6.528	.197	.172	10.090
2000	2.061	1.753	6.528	.190	.166	10.698
2001	2.553	1.721	6.320	.332	.168	11.094
2002	2.551	1.877	6.835	.326	.165	11.754
2003	2.601	1.881	6.387	.327	.166	11.362
2004	2.626	2.255	6.408	.328	.167	11.784
2005	2.636	2.295	6.359	.321	.163	11.774

BRIGHAM CITY CORPORATION  
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>FISCAL YEAR</u>	<u>SPECIAL ASSESSMENTS BILLING</u>	<u>SPECIAL ASSESSMENTS COLLECTED <sup>1</sup></u>
1995-96	\$ 685,364	\$628,555
1996-97	529,406	592,630
1997-98	1,337,059	775,782
1998-99	497,305	485,877
1999-00	481,279	304,551
2000-01	250,849	230,626
2001-02	410,588	312,200
2002-03	432,762	364,630
2003-04	308,406	306,313
2004-05	305,600	321,812

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<sup>1</sup> INCLUDES PREPAYMENTS AND FORECLOSURES

BRIGHAM CITY CORPORATION  
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>FISCAL YEAR</u>	<u>POPULATION <sup>1</sup></u>	<u>ASSESSED VALUE <sup>2</sup></u>	<u>BONDED DEBT <sup>3</sup></u>	<u>DEBT SERVICE MONIES AVAILABLE</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
1996	16,300	\$460,104,896	\$2,800,000	\$ 8,734	\$2,791,266	.61	171.24
1997	16,618	488,459,823	2,730,000	90,049	2,639,951	.54	158.86
1998	16,700	537,453,811	2,645,000	136,752	2,508,248	.47	150.19
1999	16,800	520,047,630	2,555,000	122,846	2,432,154	.49	144.77
2000	16,900	552,505,991	6,360,000	122,342	6,237,658	1.13	369.09
2001	17,411	556,811,516	6,220,000	144,055	6,075,945	1.09	348.97
2002	17,744	583,270,116	5,980,000	325,315	5,654,685	.97	318.68
2003	17,800	514,958,977	6,135,000	170,272	5,964,728	1.16	335.10
2004	17,800	488,259,082	5,810,000	96,232	5,713,768	1.17	321.00
2005	18,279	538,963,363	5,475,000	135,336	5,339,664	.99	292.12

<sup>1</sup>CALENDAR YEAR ESTIMATE (I.E., FY'04 POPULATION IS THE CALENDAR YEAR 2003 ESTIMATE). THE FY 2001 IS PER THE 2000 CENSUS.

<sup>2</sup>CALENDAR YEAR VALUATIONS.

<sup>3</sup>INCLUDES ALL LONG-TERM GENERAL OBLIGATION DEBT FOR WHICH A PROPERTY TAX IS LEVIED.

BRIGHAM CITY CORPORATION  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2005  
UNAUDITED

TAXABLE VALUE ..... \$538,963,363

PERMITTED PERCENTAGE ..... 4%

INDEBTEDNESS WHICH MAY BE INCURRED ..... 21,558,535

AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT:

GENERAL OBLIGATION BONDS ..... 5,884,000

LESS: ASSETS RESTRICTED FOR PAYMENT ..... 177,645

TOTAL AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT ..... 5,706,355

LEGAL DEBT MARGIN ..... \$ 15,852,180



BRIGHAM CITY CORPORATION  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2005  
UNAUDITED

	2004 <u>TAXABLE VALUE</u>	PARTICIPATING MEMBER'S PORTION <u>OF TAXABLE VALUE</u>	PARTICIPATING MEMBER'S <u>PERCENTAGE</u>	ENTITY'S GENERAL <u>OBLIGATION DEBT</u>	PARTICIPATING MEMBER'S PORTION OF OVERLAPPING GENERAL <u>OBLIGATION DEBT</u>
BOX ELDER COUNTY SCHOOL DISTRICT	\$2,234,227,020	\$580,272,878	26%	\$4,635,000	\$1,205,100
BOX ELDER COUNTY	2,234,227,020	580,272,878	26%	3,800,000	<u>988,000</u>
TOTAL OVERLAPPING GENERAL OBLIGATION DEBT					1,303,900
DIRECT GENERAL OBLIGATION DEBT					<u>5,884,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT (EXCLUDING STATE OF UTAH)					<u>\$7,187,900</u>

BRIGHAM CITY CORPORATION  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL EXPENDITURES</u>	<u>RATIO DEBT SERVICE TO TOTAL GENERAL EXPENDITURES</u>
1996	\$270,000	\$ 81,723	\$ 351,723	\$ 6,599,453	5.33
1997	320,000	172,284	492,284	6,615,661	7.44
1998	230,000	208,044	438,044	7,695,547	5.69
1999	190,000	195,975	385,975	8,290,067	4.66
2000	195,000	178,118	373,118	8,566,276	4.36
2001	240,000	487,278	727,278	8,920,196	8.15
2002	350,000	386,207	736,207	8,882,581	8.29
2003	455,000	268,326	723,326	9,141,298	7.91
2004	965,000 <sup>1</sup>	285,548	1,250,548	9,760,600	12.81 <sup>1</sup>
2005	469,000	257,832	726,832	10,582,615	6.87

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<sup>1</sup> PRINCIPAL PAYMENT IS HIGH BECAUSE A BOND WAS REFUNDED, WITH THE PROCEEDS USED TO PAY OFF OUTSTANDING BOND.

BRIGHAM CITY CORPORATION  
REVENUE BOND COVERAGE  
LAST TEN FISCAL YEARS  
UNAUDITED

FISCAL YEAR	DIRECT GROSS REVENUE <sup>1</sup>	NET REVENUE OPERATING EXPENSES <sup>2</sup>	AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS		TOTAL	COVERAGE
				PRINCIPAL	INTEREST		
1996	\$11,126,050	\$ 7,960,399	\$3,165,651	\$ 633,750	\$ 480,841	\$1,114,591	2.84
1997	11,402,415	8,105,631	3,296,784	683,750	385,105	1,068,855	3.08
1998	11,350,410	8,595,764	2,754,646	813,750	431,818	1,245,568	2.21
1999	11,685,431	8,905,604	2,779,827	818,750	201,676	1,020,426	2.72
2000	12,359,144	9,259,091	3,100,053	948,750	351,595	1,300,345	2.38
2001	12,334,378	9,728,440	2,605,938	988,750	252,128	1,240,878	2.10
2002	12,746,650	9,554,819	3,191,831	1,181,750	243,075	1,424,825	2.24
2003	12,905,444	9,927,843	2,977,601	1,271,750	279,809	1,551,559	1.92
2004	14,450,286	10,681,094	3,769,192	1,260,750	127,904	1,388,654	2.71
2005	13,403,635	11,254,494	2,149,141	1,281,750	138,975	1,420,725	1.51

<sup>1</sup> REPRESENTS OPERATING REVENUES AS DISCLOSED IN THE FINANCIAL STATEMENTS.

<sup>2</sup> INCLUDES DEPRECIATION.

BRIGHAM CITY CORPORATION  
 DEMOGRAPHIC STATISTICS  
 LAST TEN FISCAL YEARS  
 UNAUDITED

<u>FISCAL YEAR</u>	<u>POPULATION<sup>1</sup></u>	<u>PER CAPITA INCOME <sup>2</sup></u>	<u>MEDIAN AGE <sup>3</sup></u>	<u>EDUCATION LEVEL IN YEARS OF FORMAL SCHOOLING <sup>3</sup></u>	<u>SCHOOL ENROLLMENT</u>	<u>STATE UNEMPLOYMENT PERCENTAGE RATE</u>
1996	16,300				5,827	3.7
1997	16,618				5,802	3.3
1998	16,700				5,715	3.2
1999	16,800				5,610	3.3
2000	16,900				5,441	3.0
2001	17,411				5,544	3.6
2002	17,744				5,437	5.2
2003	17,800				5,178	5.2
2004	17,800				5,319	4.8
2005	18,279				5,299	4.6

SOURCES: UTAH DEPARTMENT OF EMPLOYMENT SECURITY  
 BOX ELDER COUNTY SCHOOL DISTRICT

<sup>1</sup> CALENDAR YEAR ESTIMATES (I.E., FY 1999 IS THE CALENDAR YEAR 1996 ESTIMATE).

<sup>2</sup> NOT AVAILABLE ON THE CITY LEVEL

<sup>3</sup> INFORMATION NOT MAINTAINED BY STATE AGENCIES. U.S. CENSUS REPORT ONLY AVAILABLE SOURCE OF INFORMATION.

BRIGHAM CITY CORPORATION  
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>FISCAL YEAR</u>	<u>ESTIMATED ACTUAL VALUE<sup>1</sup></u>	<u>CONSTRUCTION OF UNITS</u>		<u>BANK DEPOSITS<sup>2</sup></u>
		<u>NUMBER</u>	<u>VALUE</u>	
1996	\$460,104,896	405	\$10,467,320	
1997	488,459,823	353	17,731,582	
1998	537,453,811	498	26,737,997	
1999	520,047,630	376	11,716,163	
2000	552,505,991	348	12,401,845	
2001	556,811,516	338	5,085,040	
2002	583,270,116	336	7,540,794	
2003	514,958,977	339	7,027,034	
2004	488,259,082	385	8,794,496	
2005	538,963,363	379	14,157,700	

INFORMATION OBTAINED FROM BRIGHAM CITY CORPORATION'S COMMUNITY DEVELOPMENT DEPARTMENT.

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<sup>1</sup> CALENDAR YEAR VALUATIONS

<sup>2</sup> NOT AVAILABLE

BRIGHAM CITY CORPORATION  
 PRINCIPAL TAXPAYERS  
 JUNE 30, 2005  
 UNAUDITED

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>TAXABLE VALUE</u>	PERCENTAGE OF TOTAL TAXABLE <u>VALUE</u>
AUTOLIV	AUTOMOTIVE AIR BAGS MANUFACTURING	\$57,946,579	10.75
FIFE ROCK CONSTRUCTION COMPANIES	CONSTRUCTION	3,093,165	.57
PARSONS CONSTRUCTION COMPANIES	CONSTRUCTION	4,200,622	.78
VULCRAFT (NUCOR)	STEEL MANUFACTURING	17,605,270	3.27
BRIGHAM COMMUNITY HOSPITAL	HEALTH CARE	6,315,086	1.17
QUESTAR GAS	UTILITY	2,966,041	.55
SMITH'S FOOD & DRUG	GROCERIES & PRESCRIPTIONS	7,116,096	1.32
HANSEN CHEVROLET	CAR DEALER	2,979,578	.55
FLYING J COMPANIES	OIL AND GAS	3,327,869	.62
SHOPKO	RETAIL	<u>3,279,505</u>	.61
TOTAL		<u>\$108,829,811</u>	20.19

BRIGHAM CITY CORPORATION  
MISCELLANEOUS STATISTICS  
JUNE 30, 2005 AND 2004  
UNAUDITED

	<u>2005</u>	<u>2004</u>		
DATE OF INCORPORATION	JANUARY 12, 1867	JANUARY 12, 1867		
FORM OF GOVERNMENT	MAYOR/COUNCIL	MAYOR/COUNCIL		
AREA MILES	24 SQUARE MILES	12.5 SQUARE MILES		
MILES OF STREETS	87	80		
NUMBER OF STREET LIGHTS	1025	1013		
FIRE PROTECTION:				
NUMBER OF STATIONS	1	1		
NUMBER OF FULL-TIME FIREMEN	0	0		
NUMBER OF VOLUNTEER FIREMEN	38	38		
FIRE HYDRANTS	600	600		
POLICE PROTECTION:				
NUMBER OF STATIONS	1	1		
NUMBER OF POLICEMEN AND OFFICERS	25	25		
EDUCATION:				
	<u>SECONDARY</u>	<u>ELEMENTARY</u>	<u>SECONDARY</u>	<u>ELEMENTARY</u>
ATTENDANCE CENTERS	3	5	3	5
NUMBER OF TEACHERS	152	95	163	103
NUMBER OF STUDENTS	3,398	1,901	3,117	2,202
WATER ENTERPRISE:				
NUMBER OF USERS		5,496		5,445
CONSUMPTION IN GALLONS		1,319,689,000		1,637,214,000
MILES OF WATER LINES		88		88
AVERAGE MONTHLY BILLING		\$23.05		\$28.77
SEWER ENTERPRISE:				
NUMBER OF USERS		5,736		5,692
GALLONS TREATED		661,970,000		572,220,000
MILES OF SEWER LINES		100		100
AVERAGE MONTHLY BILLING		\$26.70		\$28.29
ELECTRIC ENTERPRISE:				
NUMBER OF USERS		7,003		6,916
KILOWATT HOURS CONSUMED		136,624,365		143,623,275
MILES OF DISTRIBUTION LINES		93		90.5
KILOWATT HOURS GENERATED BY CITY		7,032,647		4,992,189
KILOWATT HOURS PURCHASED		141,921,015		145,407,420
AVERAGE MONTHLY BILLING		\$96.14		\$102.32
BUILDING PERMITS ISSUED		379		385
RECREATIONAL AND CULTURE:				
NUMBER OF 18-HOLE GOLF COURSES		1		1
NUMBER OF PARKS		12		12
NUMBER OF PARK ACRES		85.4		92.6
NUMBER OF SWIMMING POOLS		1		1
NUMBER OF TENNIS COURTS		4		4
NUMBER OF LIBRARIES		1		1
NUMBER OF VOLUMES OF BOOKS		57,551		60,829
EMPLOYEES:				
FULL-TIME		118		115
APPOINTED		12		11

## BRIGHAM CITY CORPORATION

## SCHEDULE OF UTILITY RATES

JUNE 30, 2005

UNAUDITED

## SEWER RATES:

## TYPE OF DWELLING:

## RATES PER MONTH

	<u>2005</u>	<u>2004</u>	<u>2003</u>
SINGLE	\$25.00	\$25.00	\$24.10
MULTIPLE:			
FIRST TWO UNITS, EACH UNIT	25.00	25.00	24.10
NEXT THREE UNITS, EACH UNIT	16.10	16.10	16.10
ADDITIONAL IN EXCESS OF FIVE UNITS, EACH UNIT	7.15	7.15	7.15
COMMERCIAL AND INDUSTRIAL:			
MINIMUM CHARGE PER UNIT OF OCCUPANCY	25.00	25.00	25.00
ADDITIONAL WATER CHARGE OF \$.44 PER 1,000 GALLONS IN 2003 AND 2002 AND \$.42 PER 1,000 GALLONS IN 2001 OF WATER IN EXCESS OF 10,000 GALLONS.			

## ELECTRIC RATES:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
SCHEDULE 1:			
RESIDENTIAL:			
MINIMUM SINGLE PHASE, MONTHLY	\$ 4.5300	\$ 4.5300	\$ 4.5300
MINIMUM THREE PHASE, MONTHLY	13.6000	13.6000	13.6000
PER ALL ADDITIONAL KWH	.0698	.0698	.0698
SCHEDULE 2:			
RESIDENTIAL ALL ELECTRIC SERVICE:			
MINIMUM SINGLE PHASE, MONTHLY	\$ 4.5300	\$ 4.5300	\$ 4.5300
MINIMUM THREE PHASE, MONTHLY	13.6000	13.6000	13.6000
PER ALL ADDITIONAL KWH	.0578	.0578	.0578
SCHEDULE 6:			
GENERAL SERVICE:			
POWER RATE - PER KWH ALL OVER 5KW	\$6.7500	\$6.7500	\$6.7500
ENERGY RATE:			
PER FIRST 500 KWH	.1201	.1201	.1201
PER NEXT 7,500 KWH	.0530	.0530	.0530
PER ALL ADDITIONAL KWH	.0367	.0367	.0367
SCHEDULE 8:			
MINIMUM MONTHLY RATE	\$263.6800	\$263.6800	\$263.6800
POWER RATE:			
PER FIRST 500 KWH	7.7000	7.7000	7.7000
PER ALL ADDITIONAL KWH	7.7000	7.7000	7.7000
ENERGY RATE - PER ALL KWH	.0290	.0290	.0290
SCHEDULE 9:			
MINIMUM MONTHLY RATE	\$1,030.00	\$1,030.00	\$1,030.00
POWER RATE:			
DAILY 0700 HRS THROUGH 2300 HRS, EXCEPT SUNDAYS (PER KWH)	5.87	5.87	5.87
ENERGY RATE (PER ALL KWH)	3.09	3.09	3.09



**WATER RATES:**

THE EXCESS WATER RATE FOR 2005 AND 2004 IS \$1.10/1,000 GALLONS, 2003 IS \$.90/1,000 GALLONS. THE FOLLOWING MINIMUM MONTHLY CHARGES ARE:

		RATE			MINIMUM USAGE ALLOWANCE (GALLONS)	
		2005	2004	2003	2005-04	2003
3/4	INCH SERVICE	\$ 7.50	\$ 7.50	\$ 7.00	7,000	7,000
1	INCH SERVICE	11.00	11.00	10.00	10,000	10,000
1 1/4	INCH SERVICE	22.00	22.00	20.00	20,000	20,000
2	INCH SERVICE	35.00	35.00	35.00	32,000	32,000
3	INCH SERVICE	65.00	65.00	61.00	61,000	61,000
4	INCH SERVICE	115.00	115.00	107.00	107,000	107,000
6	INCH SERVICE	265.00	265.00	241.00	241,000	241,000
8	INCH SERVICE	440.00	440.00	577.00	400,000	577,000

**GARBAGE RATES:**

	RATES PER MONTH		
	2005	2004	2003
SINGLE CAN	\$7.41	\$7.41	\$7.41
EACH ADDITIONAL CAN	7.41	7.41	7.41
COUNTY TIPPING FEE (PASS THROUGH)	5.56	5.56	5.39
GREEN WASTE CAN	4.00	4.00	4.00

BRIGHAM CITY CORPORATION  
SCHEDULE OF INSURANCE COVERAGE  
JUNE 30, 2005  
UNAUDITED

POLICY NUMBER AND NAME OF COMPANY	DESCRIPTION OF COVERAGE	EXPIRATION DATE	AMOUNT COVERED
UTAH MUNICIPAL RISK MANAGEMENT ASSOCIATION #C088H GENERAL REINSURANCE GROUP II - INSURANCE RETENTION \$500,000	COMPREHENSIVE GENERAL LIABILITY INSURANCE: PER OCCURRENCE BODILY INJURY PROPERTY DAMAGE PERSONAL INJURY PUBLIC OFFICIALS ERRORS AND OMISSIONS DEDUCTIBLE = \$10,000	7/1/05	\$6,000,000
463620 CINCINNATI INSURANCE	FIDELITY BOND - CITY TREASURER	1/17/06	\$1,000,000
FBPN2226704 HARTFORD STEAM BOILER	BOILER - MACHINERY (EQUIPMENT BREAKDOWN) DEDUCTIBLE \$2,500	7/1/05	\$50,000,000
34BPEAW0370 HARTFORD FIRE	PUBLIC EMPLOYEE BLANKET BOND LIMIT - PER EMPLOYEE DEDUCTIBLE \$100	7/20/05	\$ 100,000
35833430 CHUBB/FEDERAL INS. CO.	PROPERTY COVERAGE - \$5,000 DEDUCTIBLE BLANKET PROPERTY EDP & MOBILE EQUIP. EMERGENCY/HIGH VALUE VEHICLES HIRED AUTO PHYSICAL DAMAGE FINE ARTS EMPLOYEE TOOLS - \$250 DEDUCTIBLE	7/1/05	\$41,367,155 INCLUDED INCLUDED INCLUDED 94,000
74969966 FEDERAL INS. CO.	AUTO PHYSICAL DAMAGE OVER \$50,000-\$5,000 DED UNDER \$50,000-\$500 DED	7/1/05	\$1,619,262 - 9 VEHICLES \$4,000 - 1 VEHICLE-
AAPN 00055852 ACE/USA INSURANCE	AIRPORT LIABILITY	7/1/05	\$20,000,000
74969965 CHUBB/FEDERAL INS. CO.	OFF-DUTY AUTO LIABILITY 10 POLICE OFFICER POSITIONS	7/1/05	\$1,000,000
8453619 CINCINNATI INSURANCE	POSITION SCHEDULE BOND TREASURER/DRINKING WATER BOARD	4/6/06	\$365,000

**BRIGHAM CITY CORPORATION**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**BRIGHAM CITY CORPORATION  
SINGLE AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2005**

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133 AND  
AUDITORS' REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The Honorable Mayor and City Council  
Brigham City Corporation  
Brigham City, Utah 84302

**Compliance**

We have audited the compliance of Brigham City Corporation with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. Brigham City Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Brigham City Corporation's management. Our responsibility is to express an opinion on Brigham City Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Brigham City Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Brigham City Corporation's compliance with those requirements.

In our opinion, Brigham City Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

## **Internal Control Over Compliance**

The management of Brigham City Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Brigham City Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

## **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brigham City Corporation as of and for the year ended June 30, 2005, and have issued our report thereon dated October 6, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Brigham City Corporation's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, Brigham City Corporation City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Wiggins & Co., PC*

October 6, 2005

**BRIGHAM CITY CORPORATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

Federal Grantor/Grantor Pass Through/Grantor <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Number</u>	<u>Federal Award Expended</u>	<u>Major Program</u>
<b>Department of Homeland Security:</b>				
<b>Direct:</b>				
SLA Grant	97.067	N/A	55,134	
FEMA CERT Grant	83.565	N/A	2,139	
Law Enforcement Terrorist Grant	97.004	N/A	84,375	
Fire Grant	83.544	N/A	<u>88,200</u>	
<b>Total Department of Homeland Security</b>			<u><b>229,848</b></u>	
<b>U.S. Department of Justice:</b>				
<b>Direct:</b>				
Strike Force Grant	16.579	N/A	37,944	
Homeland Security WMD3 Part 1	16.007	N/A	<u>742,525</u>	X
<b>Total U.S. Department of Justice</b>			<u><b>780,469</b></u>	
<b>U.S. Department of Health and Human Services:</b>				
<b>Passed through University of Washington:</b>				
Communities that Care	93.279	756325	93,599	
<b>Passed through Bear River Association of Governments</b>				
Federal Aging	93.044		104,509	
Medicaid Waiver	93.778		164	
Social services block grant	93.569		4,000	
Hiip	93.046		73	
Heat programs	93.568		498	
<b>Passed through Box Elder County:</b>				
Social services block grant	93.569	Adult Literacy	<u>6,800</u>	
<b>Total U.S. Department of Health and Human Services</b>			<u><b>209,643</b></u>	

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.

**BRIGHAM CITY CORPORATION**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

Federal Grantor/Grantor Pass Through/Grantor <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Number</u>	<u>Federal Award Expended</u>	<u>Major Program</u>
<b>U.S. Department of Transportation</b>				
Direct:				
FAA Grants	20.106		<u>1,558,853</u>	X
<b>Total U.S. Department of Transportation</b>			<u><b>1,558,853</b></u>	
<b>U.S. Department of Housing and Urban Development</b>				
Passed through State of Utah				
Community development block grant	14.228	003-2001	1,686	
CDBG pass through to non profit agencies	14.228	various	126,767	
<b>Passed through Bear River Association of Governments</b>				
Bear River Housing Voucher program	14.871		<u>24</u>	
<b>Total U.S. Department of Housing and Urban Development</b>			<u><b>128,477</b></u>	
<b>Total Expenditures of Federal Awards</b>			<u><b>\$2,907,290</b></u>	

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.



**BRIGHAM CITY CORPORATION**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**NOTE 1. PURPOSE OF THE SCHEDULE**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) is a supplementary schedule of Brigham City Corporation's basic financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a select portion of the activities of Brigham City Corporation, it is not intended to and does not present either the financial position, changes in fund balances or the revenues or expenditures of Brigham City Corporation.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

- A. **Basis of Presentation** - The information in the Schedule is presented in accordance with OMB Circular A-133.

**Federal Awards** - Pursuant to OMB Circular A-133, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, nonmonetary federal awards, including federal surplus property, would be included in federal awards, if applicable, and therefore, would be reported on the Schedule. Federal awards do not include direct federal cash assistance to individuals. Solicited contracts between the State and Federal Government for which the Federal Government procures tangible goods or services are not considered to be federal awards.

**Type A and Type B Programs** - OMB Circular A-133 establishes the levels of expenditures or expenses to be used in defining Type A Type B federal awards programs. Type A programs, for the City, are those programs which exceed \$300,000 in federal expenditures, distributions, or issuances for the fiscal year ended June 30, 2005.

- B. **Reporting Entity** - The reporting entity is fully described in the footnotes of Brigham City Corporation's basic financial statements. The Schedule includes all federal awards programs administered by Brigham City Corporation for the year ended June 30, 2005.

**BRIGHAM CITY CORPORATION**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (continued)**

- C.    **Basis of Accounting** - The expenditures in the Schedule are recognized as incurred based on the modified accrual basis of accounting and the cost accounting principles contained in OMB Circular A-87, *Cost Principles for State and Local Governments*. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

**Matching Costs** - The Schedule does not include matching expenditures.

**Direct and Indirect Flow-Through Federal Awards** – Some of the City's federal awards are received directly from the granting federal agency (i.e., the City is the primary recipient). However, the majority of federal awards, as identified on the schedule, are passed through a separate entity prior to receipt by the City (i.e., the City is a subrecipient).

BRIGHAM CITY CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2005

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ yes X no

Reportable condition(s) identified

not considered to be material weaknesses?

\_\_\_\_\_ yes X none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes X no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?

\_\_\_\_\_ yes X no

Reportable condition(s) identified

not considered to be material weaknesses?

\_\_\_\_\_ yes X none reported

Type of auditors' report issued on compliance  
for major programs:

Unqualified

Any audit findings disclosed that are required  
to be reported in accordance with  
Circular A-133, Section .510(a)?

\_\_\_\_\_ yes X no

Identification of major programs:

CFDA Number(s)

16.007

20.106

Name of Federal Program or Cluster

Homeland Security Grant

FAA Airport Project

Dollar threshold used to distinguish  
between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

X yes \_\_\_\_\_ no

**BRIGHAM CITY CORPORATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**Section II - Financial Statement Findings**

There were no reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

**Section III - Federal Awards**

There were no findings related to this section. Accordingly, nothing is reported in this section.

**BRIGHAM CITY CORPORATION**  
**MANAGEMENT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2005**

BRIGHAM CITY CORPORATION  
MANAGEMENT REPORT  
FOR THE YEAR ENDED JUNE 30, 2005

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS***

To the Honorable Mayor and City Council  
Brigham City Corporation

We have audited the financial statements of governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Brigham City Corporation, as of and for the year ended June 30, 2005, which collectively comprise Brigham City Corporation's basic financial statements and have issued our report thereon dated October 6, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Brigham City Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Brigham City Corporation in the accompanying Schedule of Findings, Recommendations, and Responses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Brigham City Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to management of Brigham City Corporation in the accompanying Schedule of Findings, Recommendations, and Responses.

This report is intended solely for the information of the audit committee, management, Brigham City Corporation's City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Wiggins & Co., PC*  
Brigham City, Utah  
October 6, 2005



**INDEPENDENT AUDITORS' REPORT  
ON STATE OF UTAH LEGAL COMPLIANCE**

To the Honorable Mayor and City Council  
Brigham City Corporation  
Brigham City, Utah

We have audited the financial statements of governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Brigham City Corporation for the year ended June 30, 2005, and have issued our report thereon dated October 6, 2005. As part of our audit, we have audited the Brigham City Corporation's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; special tests and provisions applicable to each of its major State Assistance Programs as required by the State of Utah's Legal Compliance Audit Guide for the year ended June 30, 2005.

The City received the following major programs:

B & C road funds  
Airport improvements

The City also received the following nonmajor grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of the Brigham City Corporation's financial statements.)

Citizen Corp Grant (State of Utah)  
Emergency Services Grant (State of Utah)  
Fire Grant (State of Utah)  
Library Grant (State of Utah Library Board)  
State Hometown Hero Grant (State of Utah)  
Liquor Law Enforcement Grant (State of Utah)

Our audit also included testwork on the City's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt  
Cash Management  
Purchasing Requirements  
Budgetary Compliance

Truth in taxation and property tax limitations  
Department of Commerce  
Impact Fees  
Other Compliance Requirements

-3-

The management of Brigham City Corporation is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings, Recommendations and Responses. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the Brigham City Corporation, complied in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State Assistance Programs for the year ended June 30, 2005.

*Wiggins & Co., PC*

Brigham City, Utah  
October 6, 2005

BRIGHAM CITY CORPORATION  
SCHEDULE OF FINDINGS, RECOMMENDATIONS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2005

**STATE LEGAL COMPLIANCE ITEMS**

**05-1. BUDGETARY COMPLIANCE**

**Finding:**

Utah Code 10-6 states that officers and employees of the entity shall not incur expenditures or encumbrances in excess of the total appropriation for any department. We noted the following departments were over budget:

Library Department  
Airport Capital Improvements Fund

**Recommendation:**

We recommend that the City monitor expenditures and make necessary budgetary changes when appropriate.

**Response:**

The City did not budget all of the additional revenue for the two funds and, as a result, the actual expenditures were over the revised budget. The City will budget all additional revenue sources next year.

**05-2. OTHER GENERAL COMPLIANCE ISSUES**

**Finding:**

Utah code section 17-36-17(1); 10-6-117(1); 10-5-114; 17a-1-416(1), states that appropriations in the final budgets may not be made for any fund in excess of the estimated expendable revenues for the budget year. In other words, deficits in any fund are illegal. We noted the following deficit fund balances:

RDA West Forest  
EDA-X20  
EDA – West Forest

**Recommendation:**

We recommend that the City monitor these funds and take appropriate corrective measures to bring these balances into compliance in the near future.

**Response:**

The deficits in these funds are the result of the start-up costs. The deficits will not be eliminated until the RDA & EDA's start to collect the tax increment.

**BRIGHAM CITY CORPORATION  
SCHEDULE OF FINDINGS, RECOMMENDATIONS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2005**

**05-3. OTHER FINDINGS**

**Finding:**

While performing substantive tests, we noted that there were reclassification journal entries without adequate supporting documentation. There should be sufficient backup with all journal entries posted. Journal entries should be referenced by month in a sequential order.

**Recommendation:**

We recommend that all journal entries have supporting documentation attached before posting. We also recommend that journal entries be referenced by month in a sequential order.

**Response:**

Both the backup for the journal entries and the sequential numbering has been started in October 2005.

**BRIGHAM CITY CORPORATION  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2005**

**STATE LEGAL COMPLIANCE ITEMS**

**04-1. BUDGETARY COMPLIANCE**

**Finding:**

Utah Code 10-6 states that officers and employees of the entity shall not incur expenditures or encumbrances in excess of the total appropriation for any department. We noted the following departments were over budget:

Fire  
Ambulance  
Streets  
Parks

**Recommendation:**

We recommended that the City monitor expenditures and make necessary budgetary changes when appropriate.

**Status:**

Not implemented. See current year findings.

**04-2. OTHER GENERAL COMPLIANCE ISSUES**

**Finding:**

Utah code section 17-36-17(1): 10-6-117(1): 10-5-114: 17a-1-416(1), states that appropriations in the final budgets may not be made for any fund in excess of the estimated expendable revenues for the budget year. In other words, deficits in any fund are illegal. We noted the following deficit fund balances:

RDA West Forest	18,984
EDA-X20	68,000
EDA - West Forest	16,024

**Recommendation:**

We recommended that the City monitor these funds and take appropriate corrective measures to bring these balances into compliance in the near future.

**Status:**

Not implemented. See current year findings.

**BRIGHAM CITY CORPORATION  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2005**

**OTHER FINDINGS**

**04-3. VOLUNTEER ACTIVITIES**

**Finding:**

In our review of the internal controls, we noted that there are several departments which are closely associated with volunteer groups or non-profit agencies. In most cases, there are no clear boundaries for employees who are working for the City but are performing services for non profit agencies.

**Recommendation:**

We recommended that the City monitor these situations and consider the facts and circumstances in each case. If City employees are to be involved with non-profit groups, as part of their job duties, this should be noted in the job description and approved by the Mayor and/or Council. These activities should be evaluated on an annual basis to evaluate the cost/benefit to the City. Controls should be in place and every effort should be made to avoid an appearance of impropriety or question of funds being used or diverted for other uses.

**Status:**

Implemented.

**04-4. GRANTS AND CONTRACTS**

**Finding:**

While reconciling Federal and State grants, it was noted that there is not a central place that contracts from funding agencies are filed. The various departments keep their contracts and related reports and supporting documentation associated with them.

**Recommendation:**

We recommended that the City Recorder have copies of all contracts and related correspondence that bind the City. The files should include copies of the grants, grant reimbursement requests with all supporting documentation, contracts, and documentation supporting and/or required by the contracts. The reimbursement requests should be signed by a designated official of the City, not the department head requesting the funds. In the case of subrecipients, the file should also include copies of the reimbursement requests with supporting documentation and related disbursements to the subrecipient.

**Status:**

Implemented.

**BRIGHAM CITY CORPORATION  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2005**

**04-4. GRANTS AND CONTRACTS (continued)**

**Finding:**

While testing Federal and State grant revenue, we noted that some grant receipts are addressed to the different City departments.

**Recommendation:**

We recommended that the City Treasurer receive a copy of all signed reimbursement requests and track them for subsequent receipt. On a monthly basis, the City Treasurer should report to the Director of Finance on outstanding requests. The City Treasurer should send a copy of the receipt to the appropriate department for their records. This would allow follow up on reimbursement requests for funds not received as well as provide control over funds that are received.

**Status:**

Implemented.

**Finding:**

While reviewing the grants and contracts receivable from the Redevelopment Agencies and Economic Development Agencies, we noted that not all the required documentation was readily available. This documentation should have been obtained before disbursements on the grants and loans were made, per motions from the governing board.

**Recommendation:**

We recommended that the department heads receive all documentation required for the disbursal of funds and copies of the contracts and supporting documentation be kept on file by the City Recorder.

**Status:**

Implemented.

**04-4. PAYROLL DISBURSEMENTS**

**Finding:**

While testing payroll disbursements, we noted that two signatures were not always on timecards. The City's policy requires the employee and supervisor sign each timecard.

BRIGHAM CITY CORPORATION  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2005

04-4. PAYROLL DISBURSEMENTS (Continued)

**Recommendation:**

We recommended that the City require both the employee and supervisor to sign on the timecards before the payroll check is prepared. If the employee is unable to sign his or her name, an "X" or some other mark would be sufficient.

**Status:**

Implemented.